

VIRGINIA SLIMS TENNIS
Staff Meeting Notes
February 4, 1993

Attendees: Ina Broeman (IB); Edna Moore (EM); Nancy Zimbalist (NAZ); Shari Barman (SB); Annalee Thurston (AT); Janine Goldberg (JG); Heather Hellman (HH); Fred Mullane (FM); Michelle Marcisak (MM); Emily Bruce (EB).

I. Housekeeping

A. Expenses:

- 1) Everyone is doing a good job with their expenses, especially original back-up as much as possible, no matter what the amount of the expense is (not just for expenses over \$25.00).
- 2) The accounting department said that a check will be cut the next day after the expenses go into the system. (HA!)
- 3) The accounting department will process an expense check and deduct any questionable charges, rather than hold the entire reimbursement up.
- 4) Affiliates need to send original invoices.
- 5) No third party invoices can be submitted for reimbursement unless proof of payment is also provided.

B. Weekly Status Reports: JG, FM, MM, JG and HH need to submit weekly status reports to NAZ every Wednesday. The status report routing/schedule is as follows.

- o Staff send to NAZ by Wednesday.
- o NAZ sends to EM by Thursday.
- o EM send to IB by Friday for IB's meeting with Ellen Monday morning.

C. Business Cards: Consultants can no longer have business cards printed through PM. SB, AT, JG, HH and MM will have cards produced with an outside printer, coordinated by SB. All cards will be basically the same format and use the PM crest logo, rather than VS Tennis. All titles must contain the word "Consultant"

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Titles: SB/AT: Event Management Consultant
JG: Public Relations Administrator
Consultant
HH: Public Relations Consultant
MM: Operations Coordinator
Consultant

Next Step: * NAZ send SB PM logo sheet.
* SB send consultants layout for approval.

D. Media Guide Photos (1994): AT loves her 1993 Media Guide photo---so much so that she wants to make sure it appears in every Media Guide to come. Just in case she changes her mind, this subject will be re-addressed as the 1994 deadline date gets closer.

E. Wrap-Up Reports: Everyone---well, almost everyone---is doing a good job with getting their wrap-up reports done. The PR wrap-ups in particular are very comprehensive. These reports are important for next year's contracts with each of the events so the on-road staff needs to make sure that every aspect of the event is included, no matter how small. Be sure to include business items. Also, the PR wrap-ups should contain an outline of any demonstration information, including coverage, etc.

F. E Mail: Everyone can be on E Mail. A modem is needed.

Next Steps: * EB to get name and telephone number of the person in LA who has the IBM laptops so that the West Coast contingent can go look at them as a Hewlett Packard replacement possibility.
* JG, HH, AT and SB to give EB our name, address and type of computer for E mail.

II. Public Relations

A. Media Days: Chicago: Martina
Houston: Mary Pierce

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Florida: None yet;
Gaby is doing a conference call
with approximately
publications;
Steffi did a 1-on-1
telephone interview with the
Miami Herald.

No other events have been set yet.

Note: Mary Joe Fernandez is now playing
all VS events this year; however,
according to the troops, she has
not been very cooperative.

Next Step: * JG to make arrangements for Joyce
Newman to speak with Mary Pierce for
1/2 - 1 hour on the telephone before
her media day.

B. Special Events: Auctions: Chicago-Monica's racquet.
There is a large photo of BJK
at PM which we can get her to
sign for an auction.

Next Step: * JG coordinate BJK poster with
NAZ/MM.

C. Cohn & Wolfe: They are going to be steered in another
direction. IB, JG, NAZ, EB, Bill and Ella will meet with
C&W February 25th to discuss change in approach for
publicity for the Championships.

D. Affiliates:

1. Wrap-Ups:

a) Clips:

- 1) Divide into wire, lifestyle and
sports....pre-event, during event and post-
event. Then have a summary at the end.
- 2) Include original newspaper and magazine
clippings.

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b) Media Impressions:

- 1) Need to quantify the media impressions using the following formula:
$$2.5 \times \# \text{ of stories} \times \text{circulation}$$

Next Steps: * EB to give JG copy of Tip Nunn's wrap-up as a good example.
* JG to advise all affiliates of above wrap-up guidelines.

2. Joint Affiliate Meeting: With Marlboro Racing and VS Tennis to share ideas. Discuss possibilities of cross-promotions.

- a) Schedule: 1 day altogether
Next day breakout groups.

Next Steps: * EB to provide notes from Marlboro Racing "brainstorming" affiliate meeting previously held.

3. Photos/Compilation Tapes: EB/Barbara Hannan are going to start putting together a good file.

- a) Compilation Tape: For presentation purposes, EB needs clips and footage more frequently than the compilation tapes at the end of the event.

Next Steps: * EB will tell JG ahead of time if she needs separate tapes rather than waiting for the comp tape.
* JG will advise Chicago, Florida and Houston, as necessary.

- b) Photo Technology: EB is looking into this new system whereby photos are transmitted to publication utilizing this particular camera/computer/printer system. She will also check the Marlboro Racing and VS Tennis event schedules to see if one system can be shared.

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4. Cross Promotions: * Need a list put together of all events going on in our tennis markets.
 * Need a master schedule of all PM events.

Next Steps: * JG ask affiliates to put together local market event list.
 * EB put together master PM event schedule and distribute.

D. Government Affairs: We saw the PM USA Media Tour video tape (reaction to EPA report).

- 1) Six weeks prior to the event, the on-road staff should touch base with the local Government Affairs representative for every tournament to find out how we can assist them.
- 2) The on-road PR staff should carry smoking accommodation signs for the Media Centers.

Next Step: * MM to put together a packet of signs for all on-road staff.
 * FYI: NAZ will have JG, HH, AT and SB put on the FYI mailing list to be sent to us weekly.
 * EB will arrange to put JG, HH, AT, SB and affiliates on mailing list of PM stand on issues (get a copy of the EPA study memo from Vic Han).
 * NAZ to check with CA to find out which ads they want to include in the tournament program.

E. Retailers:

- o There should be an emphasis on making retailers happy. Invite them to all media events, get them photos with players, etc. This should be done through the Sales Force.
- o PR/Operations on-road staff should establish contact with the Section managers well in advance to see if they want any tickets, etc.

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Keeping everyone in the loop:

- o Sales Force (JG/HH).
- o Brand (NAZ).
- o AT (NAZ/MM)

- Next Steps:
- * Chicago: HH/MM speak with Mary Heath re: Dominick's involvement with tournament.
 - * Florida: AT/MM contact George Fountain re: Farm Stores' tournament involvement.
 - * Houston: AT/JG speak with Martha Claussen re Fiesta involvement.
 - * IB to set up a day for each of us in the field with the Sales Force.

III. Travel

A. Vacation and Travel Schedules:

1. Make sure we're covered and not everyone goes on vacation at the same time.
2. JB and HH have one change to the schedule previously submitted regarding Indian Wells. HH will cover the event through Thursday; JG, Friday through Sunday.

- Next Step:
- * Everyone, including IB and EM, is to do a 6 month schedule (through June) for vacation and travel.
 - * IB, EM and NAZ to decide who will be attending which events amongst the three of them.

B. Hotel Reservations: AT to handle as follows:

- Chicago: o MM to make NAZ reservation for Tuesday night.
- Florida: o Look into different hotels available and make a recommendation.
- o FM will commute.
 - o Reservations: HH: Starting Sunday
 - AT: " "
 - NAZ: Friday/Saturday nights
 - IB: tba

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Houston: o Reservations: JG: Starting Sunday
AT: " "
FM: " "
NAZ: Friday/Saturday nights

Los Angeles: o Reservations: AT: Commute
JG: "
HH: "
FM: Starting Sunday
NAZ: Friday/Saturday nights
EM: " " "

Newport: o Reservations: HH and FM

Philadelphia: o Reservations: AT: Starting Sunday
JG: " "
FM: " "
NAZ: Friday/Saturday

- C. Airline Tickets: There will be changes with airline tickets in that everyone will have to start buying their own rather than getting them through PM Travel.

Next Step: * NAZ to advise when this goes into effect.

- D. Car Rentals: AT to check with all tournaments to see if a tournament car can be provided to the VS on-site staff.

- E. Mileage Allowance: Still 28 cents per mile.

IV. Photography

- A. Source: VST Stamp: FM has ordered the stamp.

Next Step: * FM to check with EB to see if the word "Source" can be dropped.

- B. Files in NY Office (Dupes):

- 1) MM is in charge of the photo file.
- 2) Will only keep a few head shots on file.

- C. Quicker Turn-Around: FM should send proof sheets directly to NAZ or MM.

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- D. Dark Room: FM is looking into using labs in different event cities as well as one near his home.
- E. VS Championships Rush Charges: NAZ to check with IB regarding MSG's access to Championships photos and lab.
- F. Publications: VS Tennis will no longer provide photos to International publications at no cost.
- G. Promoters: The promoters should not be able to access our photos for free. We will accommodate their requests, but they have to pay for them.
- H. Affiliates: A system needs to be set up to determine what the affiliates are spending on photos.

Next Step: * JG/FM to work out a system to keep track of each event.

I. WTA:

- 1) We want all of our original photos back. They have a habit of hanging onto them.
- 2) We will still provide photos for their publications.

Next Step: * FM to continue to pursue WTA for photos.
* JG to write to Ana Leaird regarding change of policy.

- J. Release Form: FM needs to devise a form to send along with all of his photos saying that the recipients will be charged if the photos are not returned within a certain time period.
- K. Prize presentations: Per FM, the prize presentations need to be orchestrated better for photo purposes.
- o Give flowers to the players on the way out to the court before the match, rather than at the end of the match.
 - o Tighten up the presentation so there is adequate time for photos before the tv interview.
 - o At MSG the presentation is physically too far away. the group needs to be brought closer.

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- L. VS Championships Film Deal: June 1st is the deadline date set for MSG to secure a film deal.

Next Step: * NAZ to advise Bill and Ella and the confirm with FM.

V. Newport Event

- o July 8-11. It's still on utilizing Trade Marketing's budget. HH to attend as last year.

Next Step: * NAZ to discuss details with Debra Miller and keep Corporate Affairs in the loop.

VI. U.S. Open

- o VS Tennis will take over all of the PM tickets in the building.
- o Nothing will be done on site. Corporate Affairs may want to do something off-site.

Next Steps: * AT to look at last year's tickets and pull together a plan/recommendation to send to Jim Morgan.

VII. Materials

- A. Player Gifts: Chicago: White mock turtle neck
Florida: City t-shirt or white golf shirt
Houston: Windbreakers (?)

Next Steps: * NAZ to check with Florida to see if we can use the City T-Shirt.
* NAZ/MM to look into brand items which may be available.

- B. Media Gifts: All events: VST Mini Mag Lites
Next Year: Look into an enamel pen.

- C. VS Championships: * MM working with Gayle on gift ideas. Add a baseball jacket to the ideas considering.

VIII. Corporate/Government Affairs Events

- o Still waiting to hear if they will want to do any.

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IX. Named Events

- A. Operations Schedule:
- | | |
|----------------|----------------------|
| Chicago: | HH/NAZ/MM |
| Florida: | AT |
| Houston: | AT |
| Newport: | HH |
| Los Angeles: | AT |
| Philadelphia: | AT |
| Championships: | SB/AT/NAZ/MM |
| Stratton Mt.: | Look at player field |
- B. Staff Responsibilities: (This is for EM's benefit)
- AT: On-site operations
JG: PR administrator and occasional on-site
HH: On-site PR
MM: Operations coordinator and occasional on-site
FM: Photographer
SB: Note taker
- C. Ticket Requests
- o Florida will be very tight.

X. VS Championships

- A. Player Concierge
- o Joan Staunton will return if she can.
 - o We need to think of a new name other than "Concierge" because it is confusing to the hotel guests.
- B. Information Handbook
- o AT will oversee production.
 - o EM will review Restaurants.
- C. Bag
- o Black, red or royal blue. Have LB do a layout.
 - o Use the 1990 size bag.

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D. Ticket Incentive

- o MSG did not like the water bottle. They give this item to everyone in the Garden.
- o MSG would like t-shirts but they are too expensive for the amount requested. NAZ will look into getting rid of old inventory items for 1/2, then do a t-shirt for the other 1/2.

Next Step: * MM call Rose Wagner (WTA) to find out key chain cost and source.

E. Beauty Salon

- o We can do it for 2 days if we can get the room and hairdresser free for both days.
- o If it is held on only one day, then it should be Wednesday.

F. Credentials

- o Media Staff will be Gold.
- o Reverse colors for 1993. Do two color only.
- o Produce a Blue VIP credential.
- o Review lists and quantities before producing.
- o Personalize all credentials, including Player Guest. Include some sort of player ID--Zoltan Seles(MS).
- o The media having all access is a problem because they go into the area where the players are.

Next Step: * MM to look into numbering credentials when produced.
 * NAZ to set up a conference call after Chicago with Ella, JG, SB, HH and NAZ to find a solution.

G. Suite 200

- o \$75 charge was a problem with some legislative restrictions. Need to re-evaluate.
- o Need to personally have signatures on all chargebacks. Other accounting procedures are also required.
- o New policy: Player guests cannot come into Suite 200 once their player is out of the tournament, unless they are accompanied by that player. This will be posted in the WTA office, locker room and player lounge.

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Next Steps: * NAZ/Beth to provide SB with chargeback accounting requirements.

H. Week-End Seating

- o There is a problem (especially on Sunday) with all of the PM seats being empty for the finals. Guests tend to sit in Suite 200 and watch the match on TV. Recommendation: Close Suite 200 1/2 hour before the match and open again at the end of the 2nd set. This would be on Sunday only. On Saturday the Suite would be left open the entire time.

Next Step: * NAZ to discuss recommendation with IB.

- o Walkie talkie earphones are need for courtside.

Next Step: * MM going to look into a NY source for walkie-talkies/earphones.

J. Media Dining

- o The food was good.
- o The system worked well.
- o Keep the hot dogs and popcorn available at all times.

K. PR

- o Martina and Monica would not do the MSG studio interview on Monday because they both had a match that day. This was not communicated to MSG by Ella until late that day, which created a problem. JG will make sure there is better communication with MSG Network from the start.
- o Each of the top 4 players must do a media day for the Championships or they do not receive their Bonus Pool money. JG wanted to know if VS could trade these media days with other events if they were not utilized by the Championships.

Next Step: * NAZ to discuss with IB and advise JG.

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- o Giselle (WTA) never showed up on-site until 4pm Monday.

Next Step: * NAZ will contact Gene Beckwith's replacement in advance regarding the WTA on-site schedule for the Media Center.

- o Media Center went very smoothly.

L. Wrap-Ups

- o NAZ will put together everyone's wrap-up in a package, including her own, and distribute.

That's all folks!

2042042966

Requisition Form

2042042967

NMO71E M.I.D.A.S. PF19 DATE 01/13/93
 FIELD REQUISITION ENTRY P/R: NAME/ADDRESS
 FROM TERR: 99 - 99 - 99 FOR TERR: - - CHRISANNE FERRY
 SPACE ID: COMPANY: 01 PHILIP MORRIS USA
 REQ NO: 69918 01 A CARRIER: UPS 300 NORTH MARTINGALE RD
 S/L NO: SUITE 700
 REQ DATE: 01 / 13 / 93 SCHAUMBURG IL 60173
 STATUS: A APPROVED SHP RSRVD: TS: I
 PJ: DEL NLT 1/22/93
 COMMENT: ***INSIDE DELIVERY***
 MNT ITEM
 CD NO QTY DESCRIPTION WHS BLDG MESSAGES
 57200 48 VS ASHTRAYS P/48 01 A
 54547 72 VS TEN NEON GINNY T/LG 01 A
 54548 72 VS TEN NEON GINNY T/XL 01 A
 55912 400 VS TENNIS NAPKINS P/200 01 A

*I71E10-MAINTENANCE COMPLETE

IN HOUSE REQUISITION

2042042968

Purchase Requisition

Procedures

1. Program Administrator fills out all information requested on form in computer and submits to Purchasing.
2. Purchasing fills in the prices and returns form to the Program Administrator.
3. Program Administrator routes the form for approval through appropriate monetary levels.
4. Program Administrator retains a copy of the form and returns the original to Purchasing.

2042042969

P.O. No. _____

PURCHASE REQUISITION

ORDER FROM:		Date: January 29, 1993	
SHIP TO:		Req. No.:	
		Terms:	
		F. O. B.:	
QUANTITY	ITEM	UNIT PRICE	TOTAL
PURPOSE:		Prepared By: _____	
DATE REQUIRED:		Departmental	
DELIVER TO:		Approval: _____	
ACCTG. CODE:		Executive	
DEPT: Event Mktg		Approval: _____	
Acctg. Dept.			
Approval _____			

2042042970

P.O. No. N

PURCHASE REQUESTION

ORDER FROM: M+R		Date: December 9, 1992	
SHIP TO: Nancy Zimbalist Philip Morris USA, Inc. 120 Park Ave. - 12th Fl. New York, NY 10017		Terms: F. O. B.:	

QUANTITY	ITEM	UNIT PRICE	TOTAL
1630	'93 VS TENNIS CREDENTIALS (Virginia Slims of Philadelphia) POS # 72323		
		1.30	2,119. ⁰⁰
100	Ball Person	20	
150	Vendor		
75	Player		
200	Player Guest		
75	Special Guest		
100	Staff		
30	Umpire		
75	VIP		
100	Official		
200	Volunteer		
1105	= TOTAL		
25	Media Staff		
200	Media		
100	Photographer		
100	Photographer Daily		
100	Media Daily		
525	= TOTAL		

DELIVERY DUE JANUARY 15, 1993

PURPOSE:		Prepared By: <u>Michelle Marcisak</u>	
DATE REQUIRED: same as above		Departmental Approval: <u>12/10</u>	
DELIVER TO: DEPT: Event Mktg		Executive Approval: <u>12/10</u>	
ACCTG. CODE: 044-137-4401-16-E-12			
Acctg. Dept. Approval: _____			

2042042971

TO: Distribution

DATE: December 11, 1992

FROM: Jim Spector

SUBJECT: PROMOTIONAL FULFILLMENT INVENTORY REQUESTS

The increasing value of promotion incentives/premiums, along with more stringent shipping restrictions on some items (i.e. lighters), have necessitated the following additional controls be placed on the Promotional Fulfillment Inventory Request Form (attached).

- "Monetary Approval" (Item 7) will now require the appropriate Brand Manager's signature. If the Brand Manager is not available, a director level or higher will need to approve.
- "Ship To" (Item 1) must be complete and must include a telephone number to eliminate any possible undeliverable situations.
- The "Purpose" of the request (Item 3) must be stated accurately and completely.
- The appropriate "Department Charge Code" (Item 5) must be completed.

Please make the appropriate people in your group aware of these changes as they will go into effect immediately. Also note that most multi-item requests will take at least 5 days to fulfill, so requests should be submitted with adequate lead time.

JS:lm
12/01/92

Distribution:

C. Cohen
P. Henriques
N. Suter
N. Parmet
J. Taylor
T. Gargulio
J. Greene
A. Sinha
A. Goldfarb
S. Piskor
M. Mahan

cc: M. Antonoff
I. Broeman
J. Hecht
S. LeVan
N. Lund
E. Marini
A. Marrullier
K. McMahon
M. Meurer
B. Mikulay
B. Mora
J. Restivo
M. Saine
R. Tomei

2042042972

**PHILIP MORRIS U.S.A.
PROMOTIONAL FULFILLMENT
INVENTORY REQUEST**

1 SHIP TO:

Date of Request _____

2 PREFERRED DELIVERY DATE: _____
(Allow at least 5 days from date of request)

3 PURPOSE: _____
(Please state intended use for requested items)

4 P.O.S. #	DESCRIPTION OF ITEM	UNIT QUANTITY REQUESTED

5 DEPARTMENT: _____ BUILDING: _____ FLOOR: _____
DEPARTMENT CHARGE CODE: _____

6 REQUESTED BY: _____ EXTENSION: _____

7 MONETARY APPROVAL: _____

OVERNIGHT/AIR SHIPMENT REQUESTED: _____
(Monetary Approval must be director level or higher for overnight air shipments)

SPECIAL INSTRUCTIONS: _____

Promotional Fulfillment Shipment Approval: _____
For Fulfillment use only:

DISTRIBUTION:

FULFILLMENT GROUP
ACCOUNTING
FULFILLMENT HOUSE
REQUESTOR

(WHITE)
(BLUE)
(GREEN)
(PINK)

FORM #3981
PM USA REV. 6/92
COMP/FORMS(Num.)

2042042973

Ticket Request

2042042974

Ticket Request

Procedures

- Information Required

- Who the request is from, including name, title, address, telephone/extension number
- Name of event
- Business purpose
- Date of request
- Date and session/time---first and second choices---for which tickets are requested
- Number of tickets
- Chargeback code, including authorized signature
- Who is to be contacted for follow-up

2042042975

VIRGINIA SLIMS CHAMPIONSHIPS
November 16-22, 1992

TICKET REQUEST FORM

DATE REQUESTED: _____

Name: _____ Title: _____
Company: _____ Phone #/Ext: _____
Department/Address: _____

<u>DATE/TIME</u>	<u># OF TICKETS</u>		<u>FOR OFFICE USE ONLY</u>	<u>BUSINESS PURPOSE GUEST NAMES/TITLES</u>
	<u>1st Choice</u>	<u>2nd Choice</u>		
Monday, Nov. 16 - Session #1 (5:30pm)	_____	_____	_____	_____
Tuesday, Nov. 17 - Session #2 (5:30pm)	_____	_____	_____	_____
Wednesday, Nov. 18 - Session #3 (5:30pm)	_____	_____	_____	_____
Thursday, Nov. 19 - Session #4 (6:00pm)	_____	_____	_____	_____
Friday, Nov. 20 - Session #5 (6:00pm)	_____	_____	_____	_____
Saturday, Nov. 21 - Session #6 (12:00 noon)	_____	_____	_____	_____
Sunday, Nov. 22 - Session #7 (12:30pm)	_____	_____	_____	_____

Accounting (Chargeback) Code: _____
CHARGEBACK CODE REQUIRED FOR PROCESSING

Signature: _____
(Your signature above is authorization to charge back and obtain these tickets.)

FOR OFFICE USE ONLY

Approval:	_____	_____	
	<u>NZ</u>	<u>IB</u>	
Billing:	<u>QTY</u>	<u>COST</u>	<u>TOTAL</u>
Chargeback:	_____	_____	_____
Complimentary:	_____	_____	_____
Box Seats:	_____	_____	_____
Reserved Seats:	_____	_____	_____

Tickets Received By: _____ Date: _____
(Print Name)

Please Note: **THIS FORM MUST BE RECEIVED BY NOVEMBER 6 FOR YOUR REQUEST TO BE PROCESSED.**
You will only be contacted if there is a problem with your request. Tickets will be available to be picked up the week of November 16th only. Ticket availability is extremely limited. Return this form to Nancy Zimbalist - 120/12.

2042042976

Request for
Mandated Services

2042042977

Request for Vendor Services

Guidelines

- Purpose
 - To request a bid from a vendor to execute a program.
- Procedure
 - Program Manager prepares request letter outlining elements of the program (see list below).
 - Request letter is reviewed with Purchasing.
 - Program Manager coordinates with Purchasing to determine who will send the request to the vendors.
 - The request letters are sent to vendors simultaneously.
 - Proposals from vendors are not reviewed until all are received.
 - Once all proposals are received, they are opened and reviewed with Purchasing.
 - The vendor is chosen based on cost, experience and quality.
- Proposal Elements
 - Overview of program.
 - Outline of specific responsibilities required of vendor.
 - Executional considerations.
 - Request that the bid include itemized costs.
 - Deadline for returning proposal.



PHILIP MORRIS

U. S. A.

120 PARK AVENUE, NEW YORK, N. Y. 10017-5592 TELEPHONE (212) 880-5000

February 11, 1993

Mr. Mitch Berk
Entertainment Marketing, Inc.
350 West Hubbard Street
Suite 430
Chicago, IL 60610

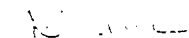
Dear Mitch:

Attached please find the specifications for the MARLBORO SWAT Team, a bar night promotion scheduled to run May 1-September 30, 1993. We are seeking a bid for Entertainment Marketing, Inc. to implement the promotional aspects of this program.

The attached should be self-explanatory. If you have any questions, please don't hesitate to call me at (212) 880-3476. *Please note: Bids are due February 26.*

We appreciate your interest and input and look forward to receiving your proposal and bid.

Sincerely,



Deane Gross
Manager, Event Marketing
Marlboro

cc: Claire Person
Steve Sampson

MARLBORO ADVENTURE TEAM
1993 BAR NIGHT PROGRAM
REQUEST FOR PROPOSAL

1. Legal disclosure of confidentiality to be written.
2. **Marlboro Adventure Team Program Overview**

Consumers will be exposed to a national promotion in 1993 and beyond in which smokers 21 years of age and older will be encouraged to apply to "MAKE THE MARLBORO ADVENTURE TEAM." A team of 10 will be chosen through a national contest to win an 11 day trip out west to Utah and Colorado. The team will cover over 600 miles by way of 4-wheel driving, motorcycling, white-water rafting and horseback riding.

The Marlboro Adventure Team (MAT) program is a multi-faceted program being delivered through retail, media, direct-mail, and special events.

In an effort to further extend in-market support activity for the MAT program, Marlboro will be conducting a national bar night program in 25 markets across the continental US. Local crews clad in MAT gear will visit "hot spots" in Marlboro branded trucks, distribute contest entry forms, implement the MAT computer game, and distribute MAT related items to smokers 21 years of age or older.

The following is an overview of the basic elements of the MAT bar night program:

Key Elements:

Timing: May 1 -September 30, 1993

Markets: See attached

2042042980

Objectives:

- Educate the consumer about the MAT program.
- Extend in-market visibility and awareness for the MAT program in designated markets.
- Create excitement and generate interest for the MAT program among the largest number of YAMS possible.
- Encourage the largest number of contest entries possible.

Strategies:

- Develop a national MAT bar night program.
- Utilize local MAT crews.
- Research, negotiate, and schedule bar nights in designated markets.
- Distribute MAT related support materials (produced by PM).

3. **Executorial Considerations:**

- Bar nights will be conducted 5 nights per week, eight working hours per day. Overnights might be necessary, but should be conducted on an infrequent basis (e.g. in MAT exhibit and race markets).
- There will be 25 markets, see attached for team composition.
- The crew clad in MAT gear (uniforms provided by PM) will visit two to four bars per night.
- The crews will distribute MAT related items, contest entry forms, implement the computer game (lap top computer with a multiple choice trivia game; prizes are awarded for different level scores) to smokers 21 years of age or older.
- The crew will collect names for data base (all information will be sent to PM for keying).
- The crew members must be 21 years of age or older.
- Preliminary bar night schedules should be submitted to the NYO at least three weeks in advance.

4. Submittals:

Your response should be submitted no later than February 26, 1993, and should be as detailed as possible including the considerations raised in this document and executional recommendations.

Please contact Deane Gross or Claire Person at (212)880-5000 if you have any questions or need clarification on any of the details presented.

5. Scope of Work:

It is PM's desire to contract with a single company on a turn-key basis to execute this program. The specific areas of responsibility include:

- Managing 5 bar nights per week in 25 markets simultaneously
- Hiring and training of local crews
- Researching and securing local bar night locations
- Warehousing and inventory control of MAT support materials
- Securing, maintaining, and transporting (when necessary) MAT trucks
- Submitting weekly status reports to NYO

Please separate your proposal into two sections:

- 1) Itemized bid outlining each area of responsibility, including all expenses.
- 2) A quote for the entire program.

2042042982

TEAM: 3 trucks, 6 personnel, 3 computers

<u>MARKETS</u>	<u>RECOMMENDED NUMBER OF TEAMS</u>
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REGION 1:	
Boston/RI	two
Syracuse	one
Buffalo	one
NY	three
Philadelphia	one
Harrisburg	one

back-up truck:	one
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REGION 2:	
Baltimore/DC	one
Richmond	one
Raleigh-Durham/Charlotte	one
Knoxville	one
Atlanta	one
Orlando	one
Miami	two

back-up truck:	two
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REGION 3:	
DFW	two
Waco/Temple	one

back-up truck:	one
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REGION 4:	
Cincinnati	one
Detroit/Grand Rapids	one
Chicago	two
Minneapolis	one

back-up truck:	one
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REGION 5:	
Denver	one
Phoenix	one
Sacramento	one
San Francisco	one
LA	three
San Diego	one

back-up truck:	two
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TOTAL TEAMS:	33
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TEAM TRUCKS:	99
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BACK UP TRUCKS:	7
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TOTAL TRUCKS:	106
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TOTAL PERSONNEL:	198
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TOTAL COMPUTERS:	106
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021093 DG (per AJM)

2042042983

Travel

2042042984

Vacation Request

- Contents

- Dates and total days requested.
- Remaining vacation days after this request.

- Procedures

1. Submit to direct supervisor.
2. Send a copy to Group Manager's and Director's secretaries.
3. Supervisor is to okay or reject at the bottom of the request and return it to the requestor, with a copy to aforementioned secretaries.

2042042985

Itinerary

Guidelines

- Information to include:
 - Dates
 - Flight schedule(s)
 - Accommodations, including address, telephone and fax numbers
 - Purpose of trip
 - On-site telephone numbers, if available
- Distribution list:
 - All persons in immediate group
 - Director's secretary
 - Director
 - Other appropriate persons as needed (e.g. Brand)

2042042986

DEANE GROSS

ITINERARY

Friday, April 9th

Departure: 8:35AM - LGA Airport - Delta Airlines Flt. No. 933
Arrive: 11:03AM - Atlanta
Departure: 12:05PM - Atlanta International - Delta Flt. No. 7389
Arrive: 1:35PM - Myrtle Beach, SC

Car: Avis Compact

Accommodations

Hampton Inn
48th Avenue N. & Hwy 17
Myrtle Beach, SC 29577
Ph: 803-449-5231
Fax: 803-449-5231

Sunday, April 11th

Departure: 11:10PM - Myrtle Beach - Delta Airlines Flt No. 7382
Arrive: 12:40PM - Atlanta
Departure: 1:34PM - Atlanta - Delta Airlines Flt. No. 482
Arrive: 3:40PM - New York LGA

Purpose: Marlboro SWAT Barnights

Auto Rental

2042042988

AUTO RENTAL

(Reference: PM USA Financial Manual: Policy #02-100; Page 5)

The auto rental policy applies to employees when doing business on behalf of Philip Morris:

- o PM has a national contract with the following companies (agreement highlights attached):

- o Primary Vendor: Avis Rent A Car Systems
- o Secondary Vendor: Budget Rent A Car Corporation

Note: Budget should be considered only when Avis is not available.

- o **Additional insurance coverage:**

- o Lost Damage Waiver (LDW) coverage is included in the national contracts.
- o Should not be taken for any supplementary insurance features in conjunction with car rentals.
- o The accounting department will not reimburse cost.
- o Any cost resulting from the lack of insurance coverage will be paid by PM.

Note: This does not apply to autos rented outside the United States.

- o The master policies do not cover convertibles. If a convertible is rented, the renter is responsible for obtaining and paying for the additional coverage(s), which will not be reimbursed.
- o When neither Avis nor Budget are available and another major national car rental company (such as National or Hertz) must be used, only additional liability coverage should be taken; all other supplemental coverages should be declined.

- o **In the event of collision damage:**

- o Do not pay for damages directly.
- o Obtain a written estimate for the cost of repairs.
- o Request that cost to repair damage or the amount of deductible (whichever is less) be billed directly to PM (insurance department).
- o The PM insurance department will review the claim and process the payment directly to the car rental company.

Note: Read car rental agreements carefully and comply with provisions relating to immediate reporting of automobile accidents.

2042042989

AVIS WORLDWIDE**DISCOUNT NUMBER:** A/A 119900-Philip Morris Companies Inc.

DAILY RATE:	CAR CLASS A - Sub-Compact	\$31.50
	B - Compact	\$32.50
	C - Intermediate	\$33.50
	D - Full-Size (2 dr.)	\$34.50
	E - Full-Size (4 dr.)	\$35.50

COST PER MILE: UNLIMITED free miles per rental day at participating locations.
(Exception: 175 free miles per day in White Plains, NY)

Note: Applies to rentals returned to the same city - no other discounts apply.

FREE LOSS DAMAGE WAIVER (LDW): When renting under the Philip Morris Corporate Rate Program you get *free LDW whether business or personal in U.S. only. Available at Corporate and Participating Licensee Locations only.

**not applicable to any promotional or discount programs.*

ONE WAY RATES: Not returned to same city - Basic Rate plus Per Mile Charge.
\$0.22 per mile
Daily rates same as above

DROP OFF CHARGE: None - If participating location.
Free Delivery and pickup at various locations.
Contact travel department.

REFUELING CHARGES: Always return car with full tank of gas to avoid costly refueling charges.

EXTENDED RENTALS: Weekly = 5 x Daily Rate Monthly = 20 x Daily Rate

INTERNATIONAL DISCOUNTS:
30% Western Europe (off time and kilometer rates)
20% Asia and Pacific (off time and kilometer rates)
10% Latin America and Caribbean (including Puerto Rico and Virgin Islands)
10% Africa and Middle East (off time and kilometer rates)

CANADA:

CAR CLASS A - CAD	37.50 - Unlimited KM
B - CAD	38.50
C - CAD	39.50
D - CAD	40.50
E - CAD	41.50

Intercity rentals receive a 25% discount off normal time and KM rates.

FLORIDA RATES:

CAR CLASS A - Sub-Compact	\$26.00
B - Compact	\$28.00
C - Intermediate	\$29.00
D - Full-Size (2 dr.)	\$30.00
E - Full-Size (4 dr.)	\$32.00

Rates include unlimited mileage and may be returned to any Avis location in Florida.

HAWAII RATES: 10% off published rate.

1992 CAR RENTAL DIFFERENTIALS

(Surcharge per Day Over and Above Daily Contract Rates)

\$3.00/day	Atlanta, GA Cleveland, OH Area Denver, CO New Orleans, LA Minn./St. Paul, MN	Oakland, CA Portland, OR San Francisco, CA Area San Jose, CA Seattle, WA	NY State (except NYC airports, NY Metro) White Plains, NY = \$3.50
\$5.00/day	Baltimore/Wash. DC Area Boston, MA Detroit, MI Hartford, CT	Houston, TX NY Metro Area (except Manhattan and NYC airports) Newark, NJ Philadelphia, PA	Pittsburgh, PA Stamford, CT
\$8.00/day	New York Area airports (LGA/JFK) Manhattan		

EFFECTIVE: 7/1/92 - 12/31/93

COMP/DEPTS(Hor.Svc-Car Rental Program Summaries

2042042990

BUDGET WORLDWIDE**DISCOUNT NUMBER:** 5780007267-Philip Morris Companies Inc. •

DAILY RATE:	CAR CLASS A - Sub-Compact	\$29.00
	B - Compact	\$33.00
	C - Intermediate	\$36.00
	D - Full-Size (2 dr.)	\$38.00
	E - Full-Size (4 dr.)	\$38.00

COST PER MILE: UNLIMITED free miles per rental day at participating locations.
No other discounts apply.

FREE LOSS DAMAGE**WAIVER (LDW):** YES - Business Only - U.S. Only

ONE WAY RATES: Daily "all inclusive" rate of \$69.00 (Includes daily car rental, free mileage surcharges and drop-off fees for car classes A, B, C, D, & E. Excludes gas, taxes and additional insurance coverages.)

DROP OFF CHARGE: None - If participating location.
Free Delivery and pickup at various locations.
Contact travel department.

REFUELING CHARGES: Always return car with full tank of gas to avoid refueling charges.**WEEKLY RATES:** 25% Discount on Rentals 6 days or more

INTERNATIONAL DISCOUNTS: 35% Off European standard rate
Special Corp Rate program rates available at participating locations in Latin America, Australia and the Far East. Rates include unlimited kilometers and vary by country and car class.

CANADA: CAR CLASS A - \$c37.00 - Unlimited KM at participating locations
B - \$c38.00
C - \$c39.00
D - \$c40.00
E - \$c40.00

A regional price differential may apply at some locations..

FLORIDA RATES: \$2.00 per day discount off daily rate (effective 10/91)**1992 CAR RENTAL DIFFERENTIALS**

(Surcharge per Day Over and Above Daily Contract Rates)

\$3.00/day	Atlanta, GA	Stamford, CT	Illinois (except airports)
	Dallas, TX	San Francisco, CA	Little Rock, AK
	Hartford, CT	San Jose, CA	Los Angeles, CA
	Houston, TX	Oakland, CA	NY State (except airports/ Manhattan)
\$5.00/day	Baltimore/Wash. DC Area	Detroit, MI	
	Boston, MA	Pittsburgh, PA	
\$6.00/day	Philadelphia, PA		
\$7.00/day	O'Hare and Midway airports		
\$8.00/day	Manhattan		
	NY Airports (LGA/JFK/EWR)		
EFFECTIVE:	January 1, 1991		

COMP/DEPTS(Hot Svcs -Car Rental Program Summaries)

2042042991

Art Department

2042042992

Art Department

- Guidelines

- The PM Art Department only does work for employees located in the Philip Morris offices at 100 Park Avenue, 120 Park Avenue and Rye Brook.
- The project must be initiated internally and include an accounting code to cover costs of work done outside.
- There are no charges for services provided by the PM Art Department; only for work which needs to be sent out or for internal work done by freelancers when there is a rush (see attached Capabilities List).

- Procedures

- Contact Alan Mogel, (Administrator, Art Department), and he will direct the project to the proper person within the PM Art Department or to an outside vendor, if necessary.

2042042993

PM GRAPHIC SERVICES

CAPABILITIES LIST

DESIGN AND LAYOUT

PHOTOGRAPHY

COMPUTER ILLUSTRATION AND RETOUCHING

COMPLETE PREPRESS DEPARTMENT

COMPLETE PRINTING DEPARTMENT

COMPUTER GRAPHICS DEPARTMENT

2042042994

Office Supplies/
Business Cards

2042042995

Office Supplies/General Forms

- To obtain office supplies and general forms, fill out a Office Supplies & General Forms Requisition (sample copy attached) and take it to the Stock Room located on Level C.
- For supplies unavailable through the Stock Room, a Purchase Requisition must be generated for the appropriate outside supplier and processed through Purchasing.

Business Cards/Memo Pads

- To obtain business cards and personalized memo pads, go to the Composition Department, and fill out the required form.
- Only Philip Morris employees can obtain business cards through the PM Composition Department.

INSTRUCTIONS:

1. The Stock Room will only provide the supplies listed on this form. Requests for special stationery items should be typed on a Purchase Requisition (Form #1507) and submitted to the Corporate Purchasing Department for processing.
2. Please check off the division your department is a part of and get the approval of your department head.
3. If requested items are missing when your order is delivered, please call the Stock Room on extension 4038.
4. INCOMPLETE FORMS WILL BE RETURNED TO SENDER.

OFFICE SUPPLIES &
GENERAL FORMS
REQUISITION

Deliver Items To The Attention Of

Division ☐ CORP ☐☐ USA ☐☐ INT'L ☐

Department Head Approval

REFERENCE

QUANTITY			DESCRIPTION	QUANTITY			DESCRIPTION
CODE	NO. OF UNITS	UNIT PACK		CODE	NO. OF UNITS	UNIT PACK	
OFFICE SUPPLIES							
A005	Ea.		Add Rolls, 2 1/4"	H010	Ea.		Paper Holder 4 x 6 Memo, Black
A011	Ea.		Add Rolls, 2 3/4"	H011	Ea.		Paper Holder 4 x 6 Memo, Tan
A010	Ea.		Add Rolls, 3"	P130	Ea.		Pencil Cup, Black
A015	Ea.		Ash Tray, Black	P131	Ea.		Pencil Cup, Tan
A016	Ea.		Ash Tray, Tan	P135	Doz.		Pencils, #1
B005	Bx.		Bands, Rubber, #18 Thin	P140	Doz.		Pencils, #2
B010	Bx.		Bands, Rubber, #33 Med.	P145	Doz.		Pencils, #2 1/2
B050	Pr.		Book Ends, Black	P150	Doz.		Pencils, #3
B051	Pr.		Book Ends, Tan	P155	Doz.		Pencils, Blue
C015	Ea.		Calendar Base, E17 Book Style	P160	Doz.		Pencils, Green
C020	Ea.		Calendar Refill, E17	P165	Doz.		Pencils, Red
C080	Ea.		Cement, Rubber, 4 oz.	P170	Doz.		Pens, Medium Black
C085	Ea.		Cement, Rubber, Pint	P175	Doz.		Pens, Medium Blue
C090	Doz.		Clips, Binder, #20	P180	Doz.		Pens, Medium Green
C095	Doz.		Clips, Binder, #50	P185	Doz.		Pens, Medium Red
C100	Doz.		Clips, Binder, #100	P190	Doz.		Pens, Fine Black
C105	C = 100		Clips, Regular	P195	Doz.		Pens, Fine Blue
C110	C = 100		Clips, Giant	P200	Doz.		Pens, Fine Red
D010	Ea.		Dispenser, Black	P205	C = 100		Pins, Push
D011	Ea.		Dispenser, Tan	P214	Ea.		Post-it Note Tray, Black
D015	Ea.		Dispenser, Grey Hand Model	P216	Ea.		Post-it Note Tray, Putty
E025	Ea.		Eraser, #100 Pink Pearl	P220	Ea.		Punch, 2-Hole
L005	Bx.		Labels, Avery, S6424 4 x 1 1/2	P225	Ea.		Punch, 3-Hole
L010	Bx.		Labels, Avery, S6448 4 x 3	R055	Ea.		Ruler 12", Wood
L015	Bx.		Labels, Avery, S8048 5 x 3	R060	Ea.		Ruler 18", Wood
L020	Bx.		Labels, Air Mail	S005	Ea.		Scissors
M020	Doz.		Marker, Fine Black Flair	S010	Ea.		Scotch Tape #105A 3/4 x 300
M025	Doz.		Marker, Fine Blue Flair	S015	Ea.		Scotch Tape #810 3/4 x 1296
M030	Doz.		Marker, Fine Green Flair	I050	Ea.		Stamp Pad Ink, Blue
M035	Doz.		Marker, Fine Red Flair	I055	Ea.		Stamp Pad Ink, Black
M040	Ea.		Marker, Yellow Hi-Liter	I060	Ea.		Stamp Pad Ink, Red
M045	Ea.		Marker, Markette, Heavy Black	S025	Bx.		Staples, Standard
M060	Ea.		Moistener, Squeeze, #513	S030	Ea.		Staple Remover
O005	Ea.		Opener, Letter	S035	Ea.		Staple Machine, Black
P085	Ea.		Pad, Stamp Foam, Black	S036	Ea.		Staple Machine, Tan
P090	Ea.		Pad, Stamp Foam, Blue	T015	Ea.		Tacky Finger
P095	Ea.		Pad, Stamp Foam, Red	T030	Ea.		Tidy Desk, Black
H005	Ea.		Paper Holder 3 x 5 Memo, Black	T031	Ea.		Tidy Desk, Tan
H006	Ea.		Paper Holder 3 x 5 Memo, Tan	T035	Ea.		Tray, Desk - Legal
DUPLICATING/CORRECTION SUPPLIES							
L105	Ea.		Liquid Paper, Blue	L120	Ea.		Liquid Paper, Pink
L115	Ea.		Liquid Paper, Canary	L130	Ea.		Liquid Paper, Thinner
L110	Ea.		Liquid Paper, Green	L100	Ea.		Liquid Paper, White
L125	Ea.		Liquid Paper, Just For Copies				
PLAIN PAPER							
2533	C = 100		Letterhead Second Sheets 8 1/2 x 11	P105	C = 100		Plain Bond 20 lb. 8 1/2 x 11
M050	C = 100		Paper Filler 3 x 5 Memo Paper	2532	C = 100		Strathmore Bond 24 lb. 8 1/2 x 11
M055	C = 100		Paper Filler 4 x 6 Memo Paper				
PLAIN ENVELOPES							
E005	Ea.		Clasp 97J 10 x 13	E010	Ea.		Clasp 100J 12 x 15 1/2
BOOKS AND PADS							
P005	Pad		Analysis Paper 45-604 8 1/2 x 11 4 col.	P055	Ea.		White Pad Legal Ruled - 8 1/2 x 12 1/2
P010	Pad		Analysis Paper 45-606 8 1/2 x 11 6 col.	P075	Ea.		Easel Pad #150 27 x 34 - Plain
P015	Pad		Analysis Paper 45-607 8 1/2 x 11 7 col.	P080	Ea.		Graph Paper Pad #411, 4 sq
P020	Pad		Analysis Paper 45-608 8 1/2 x 11 8 col.	P211	Ea.		Post-it Note Pad 1 1/2 x 2
P025	Pad		Analysis Paper 45-662 11 x 16 3/8 12 col.	P212	Ea.		Post-it Note Pad 3 x 3
P030	Pad		Analysis Paper 45-804 8 1/2 x 14 4 col.	P213	Ea.		Post-it Note Pad 3 x 5
P035	Pad		Analysis Paper 45-807 8 1/2 x 14 7 col.	S040	Ea.		Stenobook, Pitman
P040	Pad		Analysis Paper 45-812 14 x 17 12 col.	S045	Ea.		Stenobook, Gregg
P045	Pad		Analysis Paper 45-818 12 x 25 18 col.	P065	Ea.		White Pad Letter Ruled - 8 1/2 x 11
P050	Pad		Analysis Paper 45-825 14 x 34 25 col.	P070	Ea.		White 5 x 8 Pad - Plain
LOOSE LEAF SUPPLIES							
B015	Ea.		Binders, Acco Prsbd, 8 1/2 x 11	C120	Ea.		Report Cover, Duotang, Black Clear
B020	Ea.		Binders, Acco Prsbd, 8 1/2 x 14	C125	Ea.		Report Cover, Duotang, Lt. Blue Clear
B025	Ea.		Binders, 1" Black Ring 11 x 8 1/2	C130	Ea.		Report Cover, Duotang, Red Clear
B030	Ea.		Binders, 2" Black Ring 11 x 8 1/2	C135	Ea.		Report Cover, Duotang, Gray Clear
I010	Set		Index 11 x 8 1/2 A-Z #25-180	C140	Ea.		Report Cover, Duotang, Blue Window
B015	Set		Index 11 x 8 1/2 Plain Tabs PT-213-5X	C145	Ea.		Report Cover, Clear W/Spine 8 1/2 x 11
I020	Pkg		Index 11 x 8 1/2 Untabbed AS-213-B	P110	C = 100		Ring Sheets, 11 x 8 1/2, Plain, 14-281
I065	Fl.		Index, Make-Your-Own Clear	P115	C = 100		Ring Sheets, 11 x 8 1/2, Plain, 14-280
L025	Bx.		Labels, Reinforcements	P215	Ea.		Sheet Protectors, 11 x 8 1/2, M198

FORM 2024-CNY PM INC. REV 12/91 COMP 450/IS

2042042997

QUANTITY			DESCRIPTION	QUANTITY			DESCRIPTION
CODE	NO. OF UNITS	UNIT PACK		CODE	NO. OF UNITS	UNIT PACK	
FILING SUPPLIES							
C035	C = 100	Cards, Index, #31 Ruled 3 x 5	G015		Set	Guides #825 A-Z 5 x 8	
C040	C = 100	Cards, Index, #30 Plain 3 x 5	G020		Set	Guides, File A-Z Legal No Eyelet	
C045	C = 100	Cards, Index, #41 Ruled 4 x 6	G025		Set	Guides, File A-Z Letter No Eyelet	
C050	C = 100	Cards, Index, #40 Plain 4 x 6	L030		Bx.	Label Folder FF3 White	
C055	C = 100	Cards, Index, #51 Ruled 5 x 8	L035		Roll	Labels Folders R-444 Buff	
C060	C = 100	Cards, Index, #50 Plain 5 x 8	L040		Roll	Labels Folders DR-44 Green	
C065	C = 100	Cards, Rolodex, C17 1-3/4 x 3-1/4	L045		Roll	Labels Folders R-444 Green	
C070	C = 100	Cards, Rolodex, C24 2 1/4 x 4	L065		Roll	Labels Folders R-444 Canary	
C075	C = 100	Cards, Rolodex, C35 3 x 5	L070		Roll	Labels Folders DR-44 White	
B054	Ea.	File Box, 3 x 5 x 3 Tan No. 533	L075		Roll	Labels Folders R-444 White	
B061	Ea.	File Box, 3 x 5 x 6 Tan No. 653	L080		Roll	Labels Folders DR-44 Blue	
B066	Ea.	File Box 4 x 6 x 4" No. 644	L050		Roll	Labels Folders DR-44 Cherry	
B071	Ea.	File Box, 5 x 8 x 4 Tan No. 855	L055		Roll	Labels Folders R-444 Cherry	
B055	Ea.	File Box, 3 x 5 x 3 No. 533 Black	L060		Roll	Labels Folders DR-44 Canary	
B060	Ea.	File Box, 3 x 5 x 6 No. 653 Black	L085		Roll	Labels Folders R-444 Blue	
B065	Ea.	File Box, 4 x 6 x 4 No. 644 Black	L090		Doz.	Label Holder 1" - Binder	
B070	Ea.	File Box, 5 x 8 x 4" No. 855 Black	L095		Doz.	Label Holder 2" - Binder	
F025	Ea.	File Pocket, #1526-E, Legal	F065		Bx.	Pendaflex Folders 4152 1/5 Letter	
F030	Bx.	File Folders, Legal 753 1/3	F070		Bx.	Pendaflex Folders 4153 1/3 Legal	
F035	Bx.	File Folders, Letter 752 1/3	F075		Bx.	Pendaflex Folders 4152 x 2" Letter	
F040	Bx.	File Folders, Letter 752 1/2	F080		Bx.	Pendaflex Folders 4153 x 2" Legal	
F045	Bx.	File Folders, Legal Prsbd. 420-1/3 1"	T005		Box 25	Pendaflex 42 Letter Tabs	
F050	Bx.	File Folders, Legal Prsbd. 420-1/3 2"	T010		Box 25	Pendaflex 43 1/3 Legal	
F055	Bx.	File Folders, Letter Prbd. 410-1/3 1"	I080		Pkg. 100	Pendaflex Inserts 242 Letter	
F060	Bx.	File Folders, Letter Prsbd. 410-1/3 2"	I085		Pkg. 100	Pendaflex inserts 343 Legal	
G005	Set	Guides #525 A-Z 3 x 5	P210		Ea.	Portfolio	
G010	Set	Guides #625 A-Z 4 x 6	R045		Ea.	Rolodex Set V524 - Jr. 2 1/4 x 4	
G030	Ea.	Guides, Rolodex AG17/24 A-Z	R050		Ea.	Rolodex Set V535 3 x 5	
G035	Ea.	Guides, Rolodex AG24/25 A-Z	W005		Ea.	Wallet, Expanding 10 x 15	
G040	Ea.	Guides, Rolodex AG35/25 A-Z					

COMPUTER AND TYPEWRITER SUPPLIES

R016	Ea.		Ribbons, Selectric III Non Correcting #1298508	R040	Ea.		Lift Off Tape for Correct Set #1136433
R035	Ea.		Ribbons, Selectric Correct Film #1299095				

PRINTER RIBBONS

R051	Ea.		IBM Quiet Writer II #1299790	R060	Ea.		IBM Quiet Writer III
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DISKETTES

R057	Ea.		3M 5 1/4 DS00 Diskettes #00234/360K	C159	Ea.		Maxell 5 1/4 High Density Diskettes #MD2HD 1.2 MB
R058	Ea.		MAXELL 3 1/2 DS DD Diskettes	G161	Ea.		5 1/4 Micro-Accessories Locking Diskette Holders
R059	Ea.		Maxell 3 1/2 Diskettes MF2 HD 2MB	G162	Ea.		3 1/2 Micro-Accessories Locking Diskette Holders

HEWLETT PACKARD LASER JET

C150	Ea.		HP Standard User Jet Toner #92285A	C148	Ea.		HP Fuser Pad Cleaner #RG1-0966000
C151	Ea.		Hewlett Packard Laser Jet Series II Toner #92295A				

PLOTTER PAPER

C152	Pkg.		Hewlett Packard #17801P Non Glossy Paper				
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PLOTTER PENS

C154	Pkg.		Hewlett Packard #17825P 0.3mm Black Pens	C156	Pkg.		Hewlett Packard #17831P 0.3mm Blue Pens
C155	Pkg.		Hewlett Packard #17826P 0.7mm Black Pens	C157	Pkg.		Hewlett Packard #17841P 0.3mm Red Pens

FILM

C153	Pkg.		Hewlett Packard #17702T Transparency Plotter Film				
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CRT WIPES

A001	Pkg./Ea.		Antistatic Wipes Misco MV1323	A002	Pkg./Ea.		CRT Screen Cleaning Wipes
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PHILIP MORRIS PRINTED ENVELOPES, LETTERHEADS

3440	Ea.		PM Mgt. No. 9 White Window	3510	Ea.		PM Int'l. Inc. Air Mail No. 10
3442	Ea.		PM Mgt. No. 10 White	3515	Ea.		PM Int'l. Inc. Air Mail No. 10 (side flap)
3444	Ea.		PM Mgt. No. 11 White	3520	Ea.		PM Int'l. Inc. Air Mail 9 x 12
3446	Ea.		PM Mgt. White Kraft 7 x 10	3595	Ea.		PM Int'l. Inc. Letterhead
3448	Ea.		PM Mgt. White Kraft 10 x 12	3605	Ea.		PM Int'l. Inc. Memo Paper 8 1/2 x 7
3450	Ea.		PM Mgt. Letterhead, Engraved 8 1/2 x 11	3610	Ea.		PM Int'l. Inc. Memo Paper 8 1/2 x 11
3452	Ea.		PM Mgt. Inter-Office 8 1/2 x 7 Paper	3609	Ea.		PM Int'l. Inc. White Peel & Stick 10 x 13
3454	Ea.		PM Mgt. Inter-Office 8 1/2 x 11 Paper	3612	Ea.		PM Duty Free Inc. White No. 10
3453	Ea.		PM Inc. No. 9 White Window	3614	Ea.		PM Duty Free Inc. Letterhead
3541	Ea.		PM Inc. No. 10 White	3616	Ea.		PM Duty Free Inc. Memo Paper 8 1/2 x 11
3542	Ea.		PM Inc. No. 11 White	3617	Ea.		PM Duty Free Inc. Memo Paper 8 1/2 x 7
3551	Ea.		PM Inc. White Kraft 7 x 10	3618	Ea.		PM Products Inc. (Richmond, Va.) Letterhead
3552	Ea.		PM Inc. White Kraft 10 x 12	3560	Ea.		No. 840 Inter-Office 4 x 9 1/2 Reusable Manila
3580	Ea.		PM Inc. Letterhead, Engraved 8 1/2 x 11	3561	Ea.		No. 2255 Inter-Office 10 x 13 Reusable Manila
3585	Ea.		PM Inc. Inter-Office 8 1/2 x 7 Paper	3576	Ea.		No. 2458 Inter-Office No. 10 Confidential
3590	Ea.		PM Inc. Inter-Office 8 1/2 x 11 Paper	3577	Ea.		No. 2460 10 x 13 Inter-Office Confidential
3535	Ea.		PM U.S.A. No. 10 Large	3578	Ea.		No. 2461 No. 10 Inter-Company Mail
3536	Ea.		PM U.S.A. White 10 x 12	3579	Ea.		No. 2462 Inter-Company Mail 10 x 13
3540	Ea.		PM U.S.A. No. 11 4 1/2 x 10-3/8	3700	Ea.		P.M. Co. No. 10 White
3565	Ea.		PM U.S.A. Letterhead Engraved 8 1/2 x 11	3704	Ea.		P.M. Co. White Kraft 10 x 12
3570	Ea.		PM U.S.A. Inter-Office 8 1/2 x 7	3706	Ea.		P.M. Co. Letterhead Engraved 8 1/2 x 11
3575	Ea.		PM U.S.A. Inter-Office 8 1/2 x 11	3708	Ea.		P.M. Co. Inter-Office 8 1/2 x 7
3505	Ea.		PM Int'l. Inc. White No. 10	3709	Ea.		P.M. Co. Inter-Office 8 1/2 x 11

PHILIP MORRIS PRINTED FORMS AND LABELS

4045	Ea.		#301 Expense Statements	4035	Pad		Voucher, Corp. and Co. (Form No. 3488)
4001	C = 100		PM Inc. No. 90 Labels, NY	4036	Pad		Voucher, U.S.A. (Form #2722)
4002	C = 100		PM Co. No. 90 Labels, NY	4010	Pad		While You Were Out (Form No. 2087)
4003	C = 100		PM Mgt. Corp. 90 Labels, NY	4050	Ea.		Request for Special Mailing/Messenger
4004	C = 100		PM Int'l. Inc. No. 90 Labels	4060	Ea.		Business Card Request (Form #1507G)
4020	Pad		Purchase Requisition (Form #1507)	4061	Ea.		PMI Upgraded Airline Tickets (Form #3742)
4025	Pad		Request for Office Supplies (Form #2026)	4062	Ea.		Personalized Stationery Request (Form #1507A)
4030	Pad		Voucher, Petty Cash #9, Corporate and U.S.A.	4063	Ea.		Computer & Typewriter Supplies (Form #2026A)

LEGAL

2042042999

10/1/94
Electronics

2042043000

Contract Request Form

Procedures

- Fill out form completely.
- Send form to Virginia Murphy in PM USA Legal.
- Send copies of the Contract Request Form to:
 - Manager (if not generated by Manager)
 - Group Manager
 - Director
 - Accounting (Elisa Mattera)

2042043001

CONTRACT REQUEST FORM

DATE REQUESTED: _____

REQUESTED BY: _____

INDIVIDUAL CONTACT: _____

COMPANY NAME: _____

COMPANY ADDRESS: _____

EVENT(S): _____

DATE(S): _____

BRAND: _____

SERVICES: _____

OR

SPONSORSHIP RIGHTS:

Exclusive Tobacco Sponsorship ☐

Promotional Booths:

Sampling ☐

Couponing ☐

Sweepstakes ☐

Branded Incentives ☐

Banners/Signage ☐

Locations: _____

VIP Tickets ☐ Qty. _____

Event Passes ☐ Qty. _____

Parking Passes ☐ Qty. _____

PAYMENTS AND DATES DUE: _____

Will Company produce written/advertising/promotional materials? YES ☐ NO ☐

Draft Date: _____

Final Date: _____

Document Name: _____

2042043002

**Contract Draft
Approval Request**

2042043003

Contract Draft Approval Request

Routing

1. Person initiating contract (Manager)
2. Group Manager
3. Accounting
4. Budgets
5. Risk Management
6. Director

* Include a line for DATE next to each signature line.

** When the contract is delivered to the Accounting Department, a photocopy of the front page should be date-stamped and retained by secretary.

Project Code:

CONTRACT DRAFT APPROVAL REQUEST

PROJECT:

VENDOR:

FINANCIAL IMPACT:

RESPONSIBILITY: Manager
 Group Manager

**PROJECT
DESCRIPTION:**

FINANCIAL ELEMENTS:

	<u>Current Contract or Year</u>	<u>Previous Contract or Year</u>
Fees		
Expenses		
Total		

PAYMENT TERMS:

FINANCE DEPT. COMMENTS:

This space should be left blank for Accounting to offer comments.

INSURANCE TERMS:

**RISK MANAGEMENT
COMMENTS:**

This space should be left blank for Risk Management to offer comments.

BUDGET IMPLICATIONS:

COMPETITIVE BID:

APPROVALS:

<u>Name</u>	<u>Initials</u>	<u>Date Received</u>	<u>Date Approved</u>
Manager	_____	_____	_____
Group Manager	_____	_____	_____
Accounting	_____	_____	_____
Budgets	_____	_____	_____
Risk Management	_____	_____	_____
Director	_____	_____	_____

2042043005

Contract
Approval Request

2042043006

Contract Approval Request

Routing

1. Person who generated contract
2. Group Manager
3. Accounting
4. Budgets
5. Risk Management
6. Legal
7. Director

Depending upon contract amount

8. Vice President
9. Executive Vice President
10. President

- * Include a line for DATE next to each signature line.
- ** When the contract is delivered to the Accounting Department, a photocopy of the front page should be date-stamped and retained by secretary.
- *** Attach copy of the approved DRAFT REQUEST as the second page of the Contract Approval Request.
- **** **The person signing the contract should be the last approval signature.**

2042043007

Contract Approval Request

PROJECT:

VENDOR:

FINANCIAL IMPACT: \$

RESPONSIBILITY: Nancy Zimbalist
Manager, Event Marketing, Virginia SlimsEdna Moore
Group Manager, Event MarketingPROJECT
DESCRIPTION:FINANCIAL ELEMENTS19931992

(Explanantion of any substantial variances.)

BUDGET IMPLICATIONSCOMPETTIVE BIDAPPROVALSDATE

Manager _____

Group Manager _____

Accounting _____

Budgets _____

Legal _____

Director _____

Vice President _____

Executive VP _____

President _____

2042043008

Contract Approval Request

PROJECT: Virginia Slims of Florida
Philip Morris Invitational

VENDOR: Tamera Herrod Public Relations
10190 Boca Entrada Blvd.
Boca Raton, FL 33428

FINANCIAL IMPACT: \$75,500

RESPONSIBILITY: Nancy Zimbalist
Manager, Event Marketing, Virginia Slims

Edna Moore
Group Manager, Event Marketing

PROJECT DESCRIPTION: Public relations affiliate for 1993 Virginia Slims of Florida and
1993 Philip Morris Invitational

FINANCIAL ELEMENTS

	<u>1993</u>	<u>1992</u>
44 272 4401 16E124 Fees	\$38,000	\$34,000
044 271 4401 16E124 Expenses	\$37,500	\$35,000
TOTAL	\$75,500	\$69,000

BUDGET IMPLICATIONS

All costs associated with this project are included in the approved 1993 Virginia Slims Tennis budget.

COMPETITIVE BID

Tamera Herrod has performed these responsibilities to the satisfaction of Philip Morris for more than eight years.

<u>APPROVALS</u>	<u>DATE</u>
Nancy Zimbalist <u>3</u>	<u>1/12/93</u>
Edna Moore <u>[Signature]</u>	<u>1/17/93</u>
Ina Broeman <u>[Signature]</u>	<u>1/14/93</u>
Accounting <u>[Signature]</u>	<u>1/14/93</u>
Budgets <u>[Signature]</u>	
Legal <u>Vmm</u>	<u>1/22/93</u>
Ellen Merlo <u>_____</u>	<u>_____</u>

**Incentive
Distribution Manual**

2042043010

MARLBORO GEAR TRUCK PROGRAM

POWERFORCE MANUAL

FEBRUARY 22, 1993

2042043011

MARLBORO GEAR TRUCK POWERFORCE MANUAL

Part One

Introduction to Employees

Welcome to Phillip Morris and the Marlboro Gear Truck Program. You are about to participate in an important consumer contact program for Marlboro.

Your first assignment is to read this manual thoroughly. It gives you a detailed explanation of all your activities and procedures.

Company Overview

Philip Morris U.S.A. is the largest cigarette manufacturer in the United States. Philip Morris manufactures a wide range of popular cigarette brands including Marlboro, the best-selling cigarette in the world. Other PM brands include Merit, Virginia Slims, Benson & Hedges, Parliament, Cambridge, Alpine, Bucks, Bristol, and Basic.

Philip Morris is proud of its record as one of America's most successful and progressive sales organizations. We are pleased to have you working with us and feel assured that your efforts will contribute to the continuing success of Marlboro.

Why we Contact Consumers

Consumer contact is critical to a sales organization. The purpose of the Marlboro Gear Truck program is to introduce adult smokers of competitive brands to Marlboro. We believe that one of the best ways to do so is through the use of incentive items and personal contact.

Incentive distribution also gives excellent exposure to our brands and provides us with direct feedback on our product's acceptance.

Your Role and Image

We have found that offering exciting and unique incentive items, delivered with a personal message from a bright, enthusiastic individual is the best way to communicate the reasons for Marlboro's number one position. The excitement you add to the store sale event is critical.

Your contact with consumers will require you to:

- Generate excitement and interest that will attract adult smokers to the van.
- Communicate confidently with a variety of smokers.
- Convey a product message about Marlboro to adult smokers of competitive brands.
- Explain the redemption process and encourage smokers to participate in the Adventure Team promotion.

The sincerity and credibility you project is greatly influenced by your personal appearance. You will be provided with a Marlboro Adventure Team Gear uniform. Details to follow.

Part Two

Program Objectives

There are several important goals of the Marlboro Gear Truck program:

- To provide an opportunity to communicate directly with Marlboro's audience—
young-adult male smokers.
- To gather names of competitive adult smokers for future direct marketing
promotions.
- To educate consumers about the Marlboro Adventure Team.
- To increase visibility of Marlboro at retail during major events.
- To provide an exciting and positive consumer experience beyond typical retail
encounters.

Job Requirements

- You must be at least 21 years old.
- You must have a valid driver's license and be able to drive a full size van.
- You must be able to assemble the promotion tent and lift boxes weighing 25
pounds.
- You must be comfortable interacting with a variety of consumers and retail store
operators.
- You must be able to accurately report your activities.
- You must pass a federally mandated safety test after training.

Job Description

As a member of the Marlboro Gear Truck program, you will be working closely with the local Philip Morris sales force. PM Sales Representatives will make arrangements with retail store operators for you to conduct store-sale events at various locations throughout your assigned territory. You will be provided with a list of locations at least one week in advance. Store sales will typically last either a half or full day.

At store sales, you will be offering adult smokers, 21 years or older, various incentive items when they purchase Marlboro. You will also be gathering names of competitive smokers for future direct marketing efforts. Details of store sale procedures are included in **Part Four**.

About Marlboro

Marlboro is the Number One selling brand in America and around the world. To accommodate the diverse taste preferences of consumers, the Marlboro brand is available in a variety of packings:

- Marlboro Red, Soft Pack or Box—blended for the smoker who enjoys full-flavored cigarettes.
- Marlboro Lights, Kings and 100s, Soft Pack or Box—lighter in taste, lower in tar, but still offering the same quality that has made Marlboro famous.
- Marlboro Mediums, Kings and 100s, Soft Pack or Box—offers high-end, low-tar, satisfying, flavorful taste. Marlboro Medium bridges the flavor-gap between low-tar and full-flavor brands.
- Marlboro Gold 100s, Soft Pack or Box—designed for smokers who enjoy full, rich flavor in a longer, 100 mm length.
- Marlboro Light Menthol, Kings and 100s Box—light, cool menthol refreshment in a lower tar cigarette.
- Marlboro Menthol Soft Pack—offering smokers the cool taste of menthol in a full-flavor cigarette.

Consumer Contact Techniques

The way you interact with smokers will directly influence their attitude toward our products. A smoker is more likely to think favorably of Marlboro if you create a favorable impression. Be courteous, friendly and enthusiastic.

- Be sure the consumer is age 21 or over. If you're not sure, you must ask. We suggest you do so by asking, "What year were you born?"
- Be sure the consumer is a smoker.
- Thank the consumer for their time.

Part Three

Restrictions on Consumer Contact Activities

You are required to observe certain distribution restrictions developed by Philip Morris to maintain the good community relations our brands and people enjoy. Please review this important information carefully.

You must sign the Certificate on the last page of this manual, indicating that you understand and agree to the following restrictions:

- Give incentive items only to smokers who are 21 years of age or older and who present their Marlboro purchases. If a younger-looking person, or a person who has not made a Marlboro purchase, requests an incentive item, refuse with the explanation that incentives can only be given to persons who have purchased product and who are 21 years of age or older. If the person states that he/she is over 21, and you are still unsure, you must verify that by asking to see identification with proof of age.
- Do not urge anyone who refuses an incentive item to accept it.
- Do not give incentive items to non-smokers. Incentives are intended only for smokers who have purchased a Marlboro product.
- Do not distribute incentives to people in vehicles.
- Avoid blocking or impeding pedestrian traffic.
- Distribution of incentives should be conducted only by authorized persons. Take care of your incentive items. Store them in secure places both on and off the job to avoid inadvertent distribution.
- Do not leave litter in distribution locations. Promptly dispose of empty boxes and all litter that results from your activity.
- Do not distribute within two blocks (approximately 500 feet) of a place of religious worship or of any center of youth activities such as playgrounds, schools, college campuses, or fraternity or sorority houses.
- Circumstances preventing distribution from being conducted consistent with the provisions of this manual should be stopped until such circumstances abate.

If you have questions regarding distribution guidelines and restrictions, ask your supervisor before you start your distribution activities.

Special Situations

If you encounter any problems while working store sales, please contact your supervisor. He or she will help you with any problems that might arise while distributing incentive items.

If someone objects to your distributing at an assigned location, please do not argue. Ask that person to wait until your supervisor is available to speak with him.

Remember, handling complaints is your supervisor's job. If your supervisor is not immediately available, relocate. Do not argue.

You may not consent to interviews. Representatives of other companies may try to question you. If this occurs:

- Tell them you are not qualified to answer their questions.
- Refer them to your manager.
- Ask for their business card and submit it to your manager.

Similarly, if a reporter asks for an interview, explain that you are not qualified to comment, and refer him or her to your manager.

Much has been written and said about smoking and health. This subject can generate varying opinions. We ask that you avoid becoming involved in discussions of this nature. If a negative statement attacking you or the cigarette industry is made, we suggest a response such as:

"I'm afraid I'm not sufficiently qualified to comment on that issue. I'll be happy to put you in touch with my supervisor. Thank you."

or

"I respect your opinion, and I'm sorry you feel that way. I'll be happy to put you in touch with my supervisor. Thank you."

Work Hours

You will be working 40 hours per week until the completion of the program. Generally, retail coverage hours will be from 10:00 A.M. until 4:00 P.M. However, these hours may vary based on store traffic flow. Your Market Manager will advise you of the exact hours of store sale operation.

Approximately one hour prior to the store sale and one hour after the store sale are allocated for set-up time, warehouse/inventory-drive time, van servicing and other reasonable duties necessary to ensure a professional execution of the program.

==

Part Four

Store Sale Procedures

Preparation

- You will be responsible for maintaining sufficient inventory of incentives and pos materials in your van. Items will be stored in a local warehouse. Your Powerforce Market Manager will review procedures for stocking your van.

Store Check-In

- Arrive at your assigned store on time. A Philip Morris Rep will probably be there to meet you, especially early in the program.
- Notify store personnel of your arrival. Be sure to ask for the manager and review your planned activities.

Creating an Invitation to Consumers

- Place approved pos material to let consumers know about the event.
- Set up approved pack or carton display.
- Set up the van and kiosk in the agreed upon location in the parking lot.
 - Be careful not to obstruct traffic.
 - Place the incentives on the grids.
- Greet adult shoppers as they approach the store or van with a statement such as, "Show us your pack."
- As interested smokers approach the van, explain the redemption process.
 - Smokers who complete the survey will be eligible for future special offers.
 - Smokers who purchase Marlboro in the participating store will be able to claim an incentive item based on the quantity purchased as indicated (one item per purchase per customer).
- Deliver a product message about Marlboro (See "About Marlboro").
 - This is where your enthusiasm counts. Your ability to create excitement is crucial to the success of the program.
 - Invite competitive adult smokers to "Come to Marlboro Country."
- "Pre-sell" the Marlboro purchase.
 - Determine which incentive the consumer is interested in.
 - Explain the quantity they need to purchase in order to receive the incentive.
 - Hand the consumer a ticket for that item.
- When they return after shopping, attach their ticket to the survey card and hand them the appropriate incentive of their choice based on their purchase.

Additional Duties

- You will submit a report of your activities to your Powerforce Market Manager daily. A sample form will be provided.

Leaving the Store

- Take an inventory of incentive items. Be sure supplies are adequate for your next store sale. Retail operators have ordered extra product in anticipation of increased sales—you don't want to run out of incentives.
- Remove any advertising directly related to the store sale.
- Pack up the kiosk and incentives. Make sure your area is clear of litter.
- Complete your daily report and have the Store Manager or contact sign the form as indicated.
 - Be sure to thank store management for their cooperation.

When You Get Home

- Phone your results in to your Powerforce Market Manager.
- Mail your daily report to Powerforce in the envelope provided.

Contacts

- Your **Powerforce** Market Manager is:
Name:
Address:

Phone:
- Your **Philip Morris** Unit Manager (or District Manager) is:
Name:
Address:

Phone:

Marlboro Gear Truck Usage Guidelines

- The Gear Truck can only be driven by Philip Morris or Powerforce employees. **Under no circumstances** are spouses/dependents permitted to drive the Gear Truck.
- The Gear Truck must be stored in a secured location at the end of each day. This might be a garage, warehouse, or other assigned location. The Powerforce DM will designate the location for your Gear Truck. **Under no circumstances** are Gear Trucks to be driven for personal use.
- Gear Truck expenses will be reimbursed by Powerforce. These expenses include, gas, tolls, parking, washing, and general mechanical maintenance. Any questions related to other Gear Truck expenses should be directed to your Powerforce Market Manager.

Part Five

Phillip Morris Products

Here is a listing of Phillip Morris brand families:

- | | |
|-------------------|--------------|
| • Marlboro | • Parliament |
| • Benson & Hedges | • Cambridge |
| • Merit | • Saratoga |
| • Virginia Slims | • Alpine |
| • Players | • Bucks |
| • Bristol | • Basic |

Part Six

**Marlboro Gear Truck
Certification**

This certifies that I have been instructed by representatives of Philip Morris U.S.A., or their designated distributing agency, of distribution guidelines and restrictions.

I will offer incentive items only to smokers who are 21 years of age or older, and who have purchased the required **Marlboro** product from a participating retailer, and I will follow all other distribution guidelines and restrictions.

I recognize that I am subject to immediate dismissal if I offer the above mentioned incentive items to any smoker who is not 21 years of age or older and has not purchased the required **Marlboro** product, or if I violate any distribution restrictions.

SIGNATURE

DATE

In order to keep our records up to date, please complete the following information:

Emergency Contact:

Name: _____

Relationship: _____

Address: _____

Phone #: _____

Sampling Manual

2042043024

PHILIP MORRIS SAMPLING MANUAL

MARLBORO
SAMPLING PROGRAM

CONTENTS

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Instructions for Samplers	2
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II. The Sampler's Role & Image	2
III. About the Product	3
IV. Sampling Techniques	4
Sampling the Consumer	4
Sampling Training	5
Points to Remember	5
Special Situations	6
V. Restrictions on Sampling	7
Good Luck!	9
Certification	10

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JUN 11 1993

100 10

MARLBORO
SAMPLING PROGRAM

Instructions for Field Managers

All points in this manual must be reviewed with samplers and a copy given to each.

Samplers must sign the certificate on the last page of this manual, indicating that they have been told of sampling restrictions and understand that they are subject to immediate dismissal if they knowingly violate these restrictions.

Be sure to monitor samplers to ensure their compliance with sampling guidelines and restrictions. It is your responsibility to dismiss any sampler who, in your judgment, knowingly violates these restrictions.

MARLBORO
SAMPLING PROGRAM

Instructions for Samplers

You are about to participate in an important sampling program for MARLBORO cigarettes. Your first assignment as a sampler is to read these procedures and instructions thoroughly.

I. PURPOSE: WHY WE SAMPLE

Consumer contact is crucial to a sales organization. Philip Morris believes that one of the best ways to acquaint smokers with the quality and taste of our cigarette products is to offer the opportunity to try them. Our sampling programs provide that opportunity.

Sampling also gives excellent exposure to our brands, as well as direct feedback to us on our products' acceptance. Our concern for consumer satisfaction has helped make Philip Morris the leader in the cigarette industry and has contributed to the success of our brands in the national market.

Your sampling efforts will introduce many smokers to the smooth, satisfying flavor of MARLBORO cigarettes.

II. THE SAMPLER'S ROLE AND IMAGE

You have been selected for this sampling program because of your intelligence, enthusiasm, and appearance. We are confident that you will do an effective sampling job on behalf of MARLBORO.

You are representing MARLBORO to the public, therefore, your personal appearance is important. Your Supervisor will inform you of the type of clothing to wear while sampling. You must always be well groomed.

MARLBORO
SAMPLING PROGRAM

III. ABOUT THE PRODUCT

You will be distributing incentive items and coupons for MARLBORO, MARLBORO 100's, MARLBORO LIGHTS, MARLBORO MENTHOL, MARLBORO MEDIUM and MARLBORO MENTHOL LIGHTS.

MARLBORO With MARLBORO you get full, rich flavor in a filtered cigarette.

MARLBORO 100's With MARLBORO 100's you get full, rich flavor in the longer, 100mm length.

MARLBORO MEDIUM MARLBORO MEDIUM, THE NEW LOW TAR CIGARETTE WHEN YOU WANT MORE FLAVOR.

MARLBORO LIGHTS With MARLBORO LIGHTS King size and 100's you get the spirit of MARLBORO in a low tar cigarette.

MARLBORO MENTHOL MARLBORO MENTHOL gives you the cool taste of menthol combined with MARLBORO quality.

Enjoy big menthol taste from MARLBORO country.

MARLBORO MENTHOL LIGHTS MARLBORO MENTHOL LIGHTS King size and 100's give you quality and menthol cool freshness in a light cigarette in the tradition of the MARLBORO family.

MARLBORO
SAMPLING PROGRAM

IV. SAMPLING TECHNIQUES

Sampling the Consumer

The way you sample people will have a direct bearing on their attitude toward our products. A smoker is more likely to think favorably of MARLBORO if you create a favorable impression.

Since you want to reach the largest possible number of smokers 21 years of age and older, you cannot spend more than a few moments with each consumer. In that brief time you must deliver a clear, concise message:

- * **Greet the consumer.** Determine whether he is a smoker and 21 years of age or older. If so, offer the sample, being sure to state:

"Compliments of MARLBORO"

- * **Add a brief product message as appropriate:**

MARLBORO	With MARLBORO you get full, rich flavor in a filtered cigarette.
----------	--

MARLBORO 100's	With MARLBORO 100's you get full, rich flavor in the longer, 100mm length.
----------------	--

MARLBORO MEDIUM	MARLBORO MEDIUM, THE NEW LOW TAR CIGARETTE WHEN YOU WANT MORE FLAVOR.
-----------------	---

MARLBORO LIGHTS	With MARLBORO LIGHTS King size and 100's you get the spirit of MARLBORO in a low tar cigarette.
-----------------	---

MARLBORO MENTHOL	MARLBORO MENTHOL gives you the cool taste of menthol combined with MARLBORO quality.
------------------	--

Enjoy big menthol taste from MARLBORO country.

MARLBORO MENTHOL LIGHTS	MARLBORO MENTHOL LIGHTS King size and 100's give you quality and menthol cool freshness in a light cigarette in the tradition of the MARLBORO family.
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- * **Thank the person, and close.**

MARLBORO
SAMPLING PROGRAM

Sampling Training

During your training session, you will be asked to demonstrate the sampling technique by offering a sample to your Supervisor. This practice is designed to increase your confidence and give your Supervisor an opportunity to help you refine your sampling technique.

Points to Remember

- * Speak clearly.
- * Give the complete and correct name of the cigarette.
- * Never refer to the samples as "free cigarettes."
- * Give only one sample to each smoker. If you give more than one, you may miss opportunities to sample other smokers. If an individual keeps coming back for more samples:
 - Thank him for trying our product and explain that you are not allowed to give more than one sample to each person.
 - Do not argue. Continue sampling other people.
- * MARLBORO sampling is intended to generate interest, trial and conversion among smokers of competitive brands who are 21 years of age or older. Do not sample smokers of Philip Morris products if you can avoid it. If a Philip Morris smoker requests a sample, however, do not hesitate to give it.

The following list of Philip Morris brands will help you identify Philip Morris smokers:

-Marlboro	-Cambridge
-Benson & Hedges	-Alpine
-Merit	-Bucks
-Virginia Slims	-Bristol
-Parliament	-Players
-Saratoga	

MARLBORO
SAMPLING PROGRAM

- * You will be working on a tight schedule. You will not have time to:
 - Stop and talk about the brand.
 - Debate or argue the issue of cigarette smoking and health.
 - Strike up a conversation with a passerby.
- * If a negative statement attacking you or the cigarette industry is made, the following response is suggested:

"I regret that you feel that way. Thank you."

OR

"I'm not sufficiently qualified to comment on that issue. Thank you."

- * Before leaving your location, make sure that no litter from your sampling activity remains.

Special Situations

Your Supervisor will help you with any problems you encounter while sampling.

If someone objects to your sampling at an assigned location, please do not argue. Ask the person to wait until your Supervisor is available to speak with him.

Remember, handling complaints is your Supervisor's job. If your Supervisor is not immediately available, relocate. Do not argue.

You should not consent to interviews. Representatives of other companies may try to question you. If this occurs:

- * Tell them you are not qualified to answer questions.
- * Refer them to your Supervisor.
- * Ask for their business card and submit it to your Supervisor.

IF A REPORTER ASKS FOR AN INTERVIEW, PLEASE SAY "NO" AND REFER THE INDIVIDUAL TO YOUR SUPERVISOR.

MARLBORO
SAMPLING PROGRAM

V. RESTRICTIONS ON SAMPLING

You are required to observe certain sampling restrictions developed by Philip Morris to maintain the good community relations our brands and people enjoy. Please review this important information carefully.

You must sign the Certificate on the last page of this manual, indicating that you understand and agree to the following restrictions:

- * Do not sample in or on public streets, sidewalks or parks except in areas where access is limited to persons to whom cigarettes may be lawfully sold. Samples can be distributed in such places only to persons 21 or older.
- * Give samples only to smokers who are 21 years of age or older. If a young looking person requests a sample, refuse with the explanation that samples cannot be given to persons under 21 years of age. If the person states that he is 21 or older, you must verify that by asking to see identification with proof of age.
- * Do not urge anyone who refuses a sample to accept it.
- * Do not give samples to non-smokers. Samples are intended only for smokers.
- * Do not distribute samples to people in vehicles.
- * Avoid blocking or impeding pedestrian traffic.
- * Distribution of samples should be conducted only by authorized persons. Take care of your samples. Store them in secure places both on and off the job to avoid inadvertent distribution.
- * Do not leave litter in sampling locations. Promptly dispose of empty sample boxes and all litter that results from your sampling activity.
- * Do not sample within two blocks of a place of religious worship or of any center of youth activities such as playgrounds, schools, college campuses, or fraternity or sorority houses.

MARLBORO
SAMPLING PROGRAM

GOOD LUCK!

We are pleased that you have joined the MARLBORO Sampling Program as a product sampler, and we know you will help to make it effective.

Please comply with the important guidelines in this manual to ensure the success of the program.

We hope this experience will be challenging and rewarding for every member of our sampling team.

MARLBORO
SAMPLING PROGRAM

- * Circumstances preventing sampling from being conducted consistent with the provisions of this manual should be stopped until such circumstances abate.

If you have questions regarding sampling guidelines and restrictions, ask your Supervisor before you start your sampling activities.

MARLBORO

SAMPLING PROGRAM

CERTIFICATION

This certifies that I have been instructed by representatives of Philip Morris U.S.A., or their designated distributing agency, of sampling guidelines and restrictions.

I will offer samples only to smokers who are 21 years of age or older, and I will follow all other sampling guidelines and restrictions.

I recognize that I am subject to immediate dismissal if I offer samples to any person who is not 21 years of age or older, or if I violate any sampling restrictions.

SIGNATURE

DATE

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Control Procedures

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OVERVIEW OF CONTRACT PROCESS

NOTE: The following guidelines summarize PM-USA Financial Policies as supported by the PM-USA Financial Manual.

Types of Contracts:

- Master Contract:
- o Used when a supplier/vendor is engaged to furnish services for several different projects on a request basis.
 - o Contains general terms---e.g., insurance, exclusivity, etc.
 - o Must have appropriate monetary approval.
- Project/Letter Agreements:
- o Addresses specifics of a project.
 - o Must go through the same approval process, but usually takes less time.

Vendor Services Without a Contract

- o In certain instances, services may be retained without a contract.
- o Specific prior approval for the retention of services without a contract must be obtained by PM USA Legal and Finance.
- o This approval should be sought only for those services that:
 - o Are short in duration.
 - o Have insignificant value.
 - o Do not involve the preparation of materials, use of PM product, logos or trademarks.
 - o Do not involve activities that expose PM USA to liability risks.

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Responsibilities

Originator/Coordinator	Legal & Risk Management	Finance
Preparation Process		
<ul style="list-style-type: none"> -Coordinate competitive bidding and select vendor -Collect all supplemental information (i.e. Bid Package) -Prepare a Cover Letter, Contract Request Form and Contract Exception Form (if required) -Request Legal & Risk Mgmt. to prepare Draft Contract or Addendum 	<ul style="list-style-type: none"> -Prepare a Draft Contract or Addendum; when necessary negotiate changes -Review for liability exposure and insurance risk 	<ul style="list-style-type: none"> -Assist Originator/Coordinator to verify/provide financial information
Review & Approval Process		
<ul style="list-style-type: none"> -Obtain all preliminary departmental approvals -Obtain Legal & Risk Mgmt. and Finance approval -Review Contract Request Form for comparisons to Budgets/Forecasts -Coordinate with Finance to ensure proper movement through the executive approval process. -Coordinate Execution of the Contract -Initiate commitments 	<ul style="list-style-type: none"> -Approve Contract Request Form or Addendums 	<ul style="list-style-type: none"> -Approve Contract Request Form or Addendums -Assign Contract or Addendum Number
Payment Process		
<ul style="list-style-type: none"> -Monitor progress and performance of all services performed -Ensure timely submission of invoices and approve for payment -Request Addendums, if required 		<ul style="list-style-type: none"> -Ensure payments match contract specifications -Process invoices for payment -Notify Originator/Coordinator when Addendum is required

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CONTRACT PREPARATION PROCESS

Vendor Selection

- o Performed by PM-USA Purchasing Department when tangible purchases will be made.
- o Based on **competitive criteria** including:
 - o Quality of service.
 - o Price/fee for the service.
 - o Ability of vendor to perform the service timely.
 - o Financial (D&B report may provide this information.)
 - o References
- o At least three qualified vendors should be solicited to bid on the Contract, if possible. (See Request for Vendor Services section for procedure.) If it is not possible, the exception must be documented in writing.

Cover Letter

- o The originator should prepare a Cover Letter which provides a detailed explanation of services to be performed and inform management of any unusual or unique situations.

Components:

- o **Description:** Brief description of the project/service.
- o **Justification:** Including the specific business reason and the benefits expected to be derived.
- o **Issues:** Unusual aspects, such as:
 - o Exceptions to normal practices/policies.
 - o New ventures.
 - o Financial exposure.
 - o Liability exposure.
 - o Time restrictions.
 - o Changes in previously authorized Contracts (addendum).
- o **Vendor Selection:**
 - o The basis for vendor selection.
 - o If contract was not competitively bid, explain why.

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- **Compensation:**
 - Compensation/fee arrangements.
 - Expense reimbursement terms.
 - Due dates.
 - Special payment agreements.
 - Overrun allowances.
- **Advance Payments (if required):**
 - Payment terms and arrangements.
 - Performance requirements.
 - Previous experience.
- **Required Approval Date:** Date Contract Request Form must be approved to complete the execution of the Contract and make commitments as required.

Contract Request Form:

- Determine if a contract is needed (see Purchase Order Exceptions list in the Accounting section).
- Once it is determined that a contract is needed, fill out a Contract Request Form (see sample form in Legal section) completely and send it to PM USA Legal for contract preparation.
- PM USA Legal will prepare a draft contract tailored to the services requested and any special requirements involved.
- PM USA Legal will determine if further review and approval by the Corporate Risk Management department is required for insurance and liability clauses to be incorporated into the draft contract.
- Legal and Risk Management's reviews ensures that services to be performed are clearly defined, the Company's assets are protected and liability exposure is minimized.
- The completed draft contract is returned to the originator for approval routing.

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Addendums:

- o Changes to a previously executed contract require an addendum to document increases/decreases to a contractual amount and changes to services to be performed.
 - o An addendum is not required if expense overage will be less than 5% of the original contract amount.
 - o Expense overages in excess of 5%, or where the 5% overage constitutes a substantial dollar amount, an addendum is required.
 - o There is no overage flexibility with fees.
- o A revised Contract Request Form and Cover Letter must be prepared to document the contract changes.
- o The Contract Request Form must be approved in accordance with the Monetary Approval Matrix for the entire contract amount, not just the addendum amount.
- o The Contract Request Form, Cover Letter and contract changes should be forwarded to PM-USA Legal.

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CONTRACT REVIEW AND APPROVAL PROCESS

Contract Draft Approval:

- The originator prepares a Contract Draft Approval Request Form (see attached sample), attaches it to the draft contract and circulates for the following approvals :
 - Group Manager
 - Director
 - Accounting
 - Budgets
 - Risk Management
 - Brand
- The Accounting Department sees the contract once the draft has been prepared and approved by the Group Manager and Director.
- Any changes resulting from review by PM USA Finance will be incorporated into the draft contract

Portions of Contract Reviewed by Accounting Department:

- Payment
- Record keeping
- Exclusivity
- Audit clause
- Risk management

What Accounting Department Looks For:

- The payment is consistent with the services rendered (value).
- The term of the contract and payment schedule are synchronized (not all payments made before the end of the contract); i.e., payments commensurate with timing of services delivered.
- Accuracy of fees and expenses (correspond with Contract Approval Request cover sheet).
- Appropriate monetary signatures.
- How the vendor was chosen (e.g. competitive bidding, vendor qualifications).
- Competitive Bidding

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- o Controls
 - o Wrap-up report
 - o Payment consistency
 - o Fees and expenses
 - o Out-of-pocket costs and internal costs
- o Audit clause

Advances

- o PM does not make advance payments unless it is determined by the originator and the Accounting Department that there is a definite need.
- o Advance payment(s) must be stipulated in the contract.

Contract Approval

- o Any changes resulting from review by any department should be incorporated into the draft by PM USA Legal and returned to the originator for vendor signature.
- o Vendor signs and returns the partially executed contract to the originator for final PM contract approval routing.
- o The originator prepares a Contract Approval Request Form, attaches it to the final contract along with a copy of the approved the Contract Draft Approval Request form and circulates for the following approvals:
 - o Group Manager
 - o Director
 - o Accounting
 - o Budgets
 - o Legal
 - o Vice President (depending upon contract amount)
- o Once the final contract has been approved by the Accounting Department, it is returned to the program Manager with a **contract number** which needs to be used on all future invoices and expenses.
- o See attached Monetary Approval Matrix for determining appropriate contract approval levels.
- o Changes to contracts following approval must be re-submitted to PM USA Legal for approval.

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CONTRACT PAYMENTS

Types of Payments:

Fee: Defined as compensation for performing actual services of specialized skills.

- o An **invoice** is needed for each fee payment. 10 working days are needed to review.
- o Accounting Department checks for contract compliance.
- o Paid 30 days from invoice date (no payments will be made "upon execution" of the contract)
- OR
- o In accordance with the contract terms, but first payment must always be due at least 30 days after signing date.
- o Consultants with an annual contract are paid on the 25th of each month. An invoice for each payment is also needed for annual consultants.
- o Services not in the original contract or an addendum cannot be paid for, unless another addendum is prepared.

Payment Procedure

- o The consultant's fee invoice is sent to the Accounts Payable Department and should be accompanied by a voucher (see sample attached).
- o The fee payment voucher must include:
 - o Accounting code
 - o Appropriate signatures and approvals
 - o Contract number

Expenses: Defined as those necessary and reasonable expenses paid by the vendor/consultant and incurred in the performance of job-related responsibilities.

- o Reimbursed to the vendor directly "at cost" for all expenses incurred relating to the project.
- o No third party invoices will be paid directly to the third party.

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Payment Procedure

- o The vendor/consultant's invoice and related expense report is sent to the Accounts Payable Department and should be accompanied by a voucher (see sample attached).
- o See Expense Account/Statement-Payment Procedure section for detailed procedures.

Operating Expenses

- o Expenses incurred by a promoter/vendor for a specific event.
- o The contract must include a line item budget for operating expenses.
- o Operating expenses are reimbursed 30 days from invoice date.
- o Receipts are needed for all expenses over \$25.00.
- o Telephone and fax expenses are reimbursable.
- o Operating expenses not reimbursed:
 - o Accounting services
 - o Legal services
 - o Basic staff
 - o Other fixed overhead costs

Mark-Ups

- o No mark-up is paid unless it is pre-approved by accounting.
- o Mark-ups will only be considered for certain creative, production and media expenses.

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PHILIP MORRIS U.S.A.
VOUCHER

DATE: / /

PAYEE: _____ EXPLANATION OF PAYMENT: _____

PAYEE FEDERAL TAX ID _____ OR SS NUMBER _____

INVOICE AMOUNT: \$ _____ PROJECT CODE: _____

RETURN TO NAME: _____ ACCOUNTING CODE: _____

DATE DUE: / / EXTENSION: _____ INVOICE APPROVAL: _____

FOR CASH CONTROL USE:

BANK CODE: _____ COMPANY: _____

CHECK NUMBER: _____ CHECK DATE: / / AMOUNT: _____

FOR ACCOUNTING USE ONLY:

VOUCHER: _____ ACTION: A

VENDOR: _____ CORP NO: NY 200

INV TYPE: _____ INV DATE: _____ ZIP CODE: _____ BATCH ID: _____

AMOUNT: _____ INV NO: _____ PO NO: _____

DISC: _____ PER YR: _____ SEP CHK: _____

TERMS: _____ BANK: _____ SEP HND: _____

USE/SALE: _____ U/S JUR: _____ FRT VEND: _____

FREIGHT: _____ DIST AP: _____ DUPLIC: _____

1099 AMT: _____ 1099 CD: _____ MATCH: _____

CK/DESC: _____ MISC: _____ TRAVEL CD: _____

HOLD: _____ PPD/VOID: _____ RETURN: _____

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GL ACCOUNT	PO LINE NUMBER	PART/DESC	UM	QTY	AMOUNT
NY200					
NY200					
NY200					
NY200					

(1) ACCTG AUDIT _____ (2) ACCTG APPROVAL _____ (3) DATA ENTRY _____

FORM #2722
PM USA 12/86
COMP A50 (4)

PHILIP MORRIS U.S.A.
VOUCHER

DATE: 4/5/93

PAYEE:

Virginia Slims of Florida
Liddun International
2929 East Commercial Road
Ft. Lauderdale, FL 33308

EXPLANATION:
Reimbursement for shipping scoreboards

PAYEE FEDERAL TAX ID _____ OR SS NUMBER _____

INVOICE AMOUNT: \$ 120.17

PROJECT CODE: E12

RETURN TO NAME: N. Zimbalist

ACCOUNTING
CODE: 044-634401-16-E12

DATE DUE: Regular EXTENSION: 2883

INVOICE APPROVAL: 38

=====

FOR CASH CONTROL USE:

BANK CODE: _____

COMPANY: _____

CHECK NUMBER: _____

CHECK DATE: ____/____/____ AMOUNT: _____

=====

FOR ACCOUNTING USE ONLY

VOUCHER: _____

ACTION: A

VENDOR: _____

CORP NO: NY 200

INV TYPE: _____

INV DATE: _____

ZIP CODE: _____

BATCH ID: _____

AMOUNT: _____

INV NO: _____

PO NO: _____

DISC: _____

PER YR: _____

SEP CHK: _____

TERMS: _____

BANK: _____

SEP HND: _____

USE/SALE: _____

U/S JUR: _____

FRT VEND: _____

FREIGHT: _____

DIST AP: _____

DUPLIC: _____

1099 AMT: _____

1099 CD: _____

MATCH: _____

CK/DESC: _____

MISC: _____

TRAVEL CD: _____

HOLD: _____

PPD/VOID: _____

RETURN: _____

GL ACCOUNT

PO LINE
NUMBER

PART/DESC

UM

QTY

AMOUNT

NY200

NY200

NY200

NY200

(1)ACCTG AUDIT

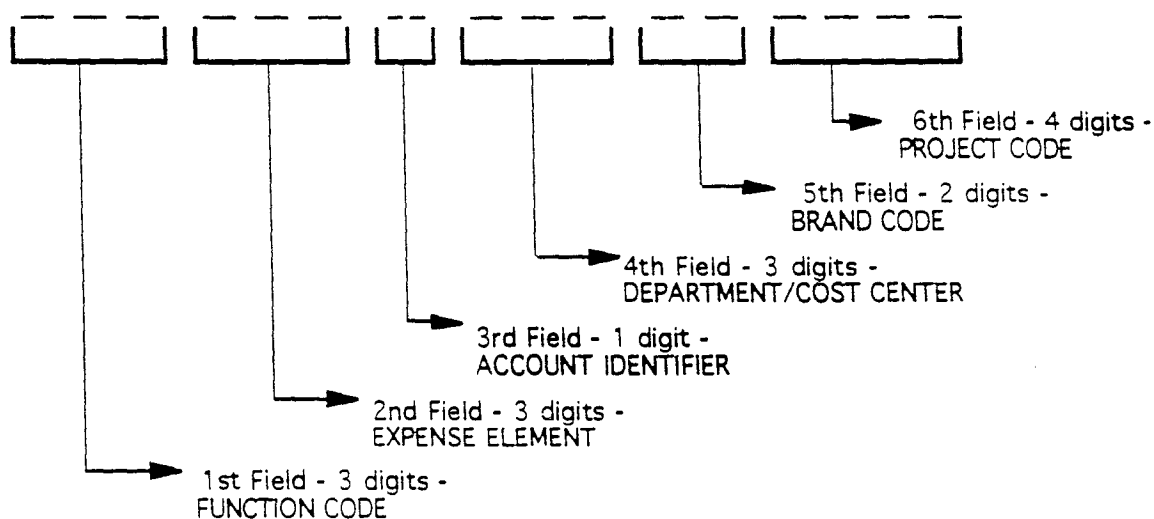
(2)ACCTG APPROVAL

(3)DATA ENTRY

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Glossary

ACCOUNT CODES - The PM-USA Function, Expense, Department, Brand and Project to be charged with the contract payments. Examples are provided below:



Function Code - Identifies spending by functional areas: Marketing, Sales, Corporate Affairs and Administrative. See the following page for a listing of all Function Codes.

Expense Code - Categorizes the type of expense to be incurred. See Expense Code examples on the following page.

Account Identifier - Further classification of the Function Code. The Account Identifier should be one of the following:

Function	Identifier
Corporate Affairs (061)	A
General & Administrative (060)	G
Marketing & Sales (04X)	X (where X ranges from 0 - 6)

Department/Cost Center - Determines the responsibility point for functional areas. See Department/ Cost Center examples on the following page.

Brand Code - Unique code for each PM-USA brand. Not applicable to Corporate Affairs or Administrative cost centers. See below for a listing of all brand codes.

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Glossary (con't.)

Project Code - Identifies a specific project within a program area. The first digit references a program. The second and third digits reference a unique project within a program category. The fourth digit is always 0. See project code examples below.

<u>FUNCTION</u>	<u>EXPENSE CODE</u>	<u>DEPARTMENT</u>	<u>BRAND CODE</u>	<u>PROJECT CODE</u>
Advertising (040)	Incentives (133)	Sales Training (216)	Marlboro(10)	Auto Racing (E11)
Field Force (041)	Fulfillment (315)	Events (401)	B&H(12)	Tennis (E12)
Sales (042)	Prof. Svcs. (472)	Sampling (350)	Parliament(14)	B&H Lighter(I3L)
Brand Mgmt. (043)	Postage (540)	Direct Mktng. (420)	V.S.(16)	Cartier (T13)
Promotions (044)	Hospitality (882)	Info. & Plng. (502)	Alpine(20)	FMI (R53)
Mkt. Research (045)	Pkg. Design (970)	PM Magazine (510)	Merit(27)	Natl. Trng. (F10)
Corp. Affairs (061)	Rent Premise (210)	Personnel (130)	Cambridge(32)	
G & A (060)		Trade Relations (218)	Bristol(37)	
		Section Office (107)	Bucks(40)	

Specific questions concerning account codes should be discussed with PM-USA Finance.

ADDENDUM - An amendment to an existing contract/agreement between two parties. The amendment is used to document any changes to terms of the contract, i.e. compensation, services to be performed, etc. An Addendum requires the same preparation, review and approval procedures as a Contract.

ADVANCE PAYMENTS - Payment for service prior to vendor performance. Example: Contract amount for expenses is \$12,000 of which \$5,000 will be advanced to the vendor before services are rendered.

CONTRACT - An executed document (signed by all parties) which contains the terms of the agreement.

COST PLUS MARKUPS - Vendor profit for performing services. The percentage markup is factored on the actual cost of expenses and services. Example: Actual cost of service totalled \$10,000 and the vendor charged PM \$10,500. The difference is the markup percentage (5%).

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Glossary (con't.)

COST REIMBURSEMENT- Payment amount to the vendor equals the actual cost incurred by the vendor in providing goods and services to PM-USA.

COVER LETTER- Synopsis of all pertinent information justifying the need for the Contract to upper management.

DRAFT CONTRACT - An un-executed document containing the terms of understanding between two parties. The document is drafted by PM-USA Legal and can be changed by either party prior to execution.

FIXED FEE - A set or base fee for services rendered. The fee can be paid in varying amounts. However, the aggregate amount cannot exceed the set fee. Example: Contract has flat fee of \$12,000, the payments can be paid in any combination.

HOURLY/DAILY FEE - Payment method where compensation is based on a daily rate, i.e. \$35.00 per hour or \$800.00 per day.

INVOICE RETURN NOTICE - Notice attached to invoice being returned to Originator/Coordinator identifying discrepancy to be resolved prior to invoice payment by Accounts Payable.

LETTER OF AGREEMENT - A condensed agreement between two parties that details the services to be performed, compensation and contract period.

MASTER CONTRACT - A contract that contains all terms except the specified compensation amount. The compensation amount is detailed within individual project agreements or budgets.

MONTHLY RETAINER- A set fee paid to the contracted party for services rendered on a monthly basis.

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Glossary (con't.)

PROJECT/BUDGET AGREEMENT - A document containing the compensation arrangement relating to a Master Contract. The agreement contains specific services to be performed, the compensation for the services, and the date(s) that the services are to be performed.

SPONSORSHIP - An agreement to support or sponsor an event where PM-USA receives publicity and promotional benefits.

THIRD PARTY PURCHASE- Contract vendor subcontracts a portion/all of goods and services required to fulfill a contract.

TOLERANCE - The maximum amount that a Contract can exceed its limit by. Tolerances generally apply to expenses and must be specified within the Contract.

Budgets

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BUDGETS

- o Expense categories for each program should be as specific as possible in order to better allocate funds and track expenses.
- o Each program manager should monitor their own budgets to make sure they have the funds to pay for all contracts before they are entered into. (See attached **Brand Spending Report** issued to each Manager monthly for the purpose of tracking their respective budgets and making sure their budget requirements are being met.)
- o Contract expenses should follow a standardized format.
- o Guidelines Attached:
 - o Expense Codes and Descriptions
 - o Marlboro Auto Racing Chart of Accounts

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PHILIP MORRIS USA
 BRAND SPENDING REPORT
 02/28/93

RUN DATE 03/16/93

A SLIMS E920 SOUTHRN WOMENS SH

RESPONSIBILITY OF: N. ZIMBALIST

CURRENT MONTH			YEAR-TO-DATE				
ACTUAL	BUDGET		ACTUAL	OPEN COMMITT	TOTAL	TOTAL YEAR BUDGET	VARIANCE FAV/UNFAV*
40,500	5,000	044137 PROMOTIONAL MATE	40,500	32,960	73,460	100,000	26,540
100,000		044202 AGENCY ARTWORK	100,000		100,000	50,000	50,000
		044253 RENTALS				50,000	50,000
		044472 PROFESSIONAL SVCS				40,000	40,000
		044555 PHOTOGRAPHY EXP				10,000	10,000
5,305		044600 TEMPORARY HELP	5,729		5,729		5,729
	5,000	044632 PURCHASED SERV	5,305	3,600	8,905	150,000	141,095
		044885 CONTRACT COMMITT				100,000	100,000
145,805	10,000	TOTAL	151,534	36,560	188,094	500,000	311,906
=====	=====		=====	=====	=====	=====	=====

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PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: DISTRIBUTION

DATE: JUNE 16, 1992

FROM: PAM DITOMASO *Pam*

SUBJECT: 1992 EXPENSE CODES AND DESCRIPTIONS

Attached is a listing of current Expense Code numbers and a brief description of the expense element. Please utilize this listing when assigning accounting codes to Contracts, Purchase Requisitions, and Invoices. In order to assign an accounting code you will need to know the Brand Code (if applicable), and Project Code related to your respective Event Budget.

Please note that not all expenses may pertain to your budget. If you have questions, or are not sure of the appropriate category to charge an expense, feel free to contact me on extension 2750.

<u>EVENT BUDGET</u>	<u>BRAND CODE</u>	<u>PROJECT CODE</u>
Autoracing	10	E110
Skiing	10	E130
Adventure Team	10	E150
NYC Grand Prix	10	E180
Target Mkting	10	E310
Sports Bar	10	E400
B&H Blues & Rhythm	12	E260
VS Tennis	16	E120
Fashion Spree	16	E910
Southern Women Show	16	E920
Event Promotions	00	E410
CP-Premium Brands	00	E420
CP-Marl & Disc Brands	00	E430
CMP-Festival	00	E450
CMP-Marlboro Events	00	E470

Distribution:

V. Berner
E. Bruce
J. Fontanez
D. Gross
L. Lazinsk
G. Vera
S. Sampson

cc: D. Berenson

I. Broeman
M. Meuer
E. Moore
E. Vichich

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1992 EVENT PROMOTIONS
EXPENSE CODES AND DESCRIPTION

ACCOUNT CODE	044 - XXX	4401 XX	XXX0
		4430	
		4440	
	*043 - XXX	3350 XX	XXX0 (Samples)

EXPENSE CODE	EXPENSE	DESCRIPTION
041	TELEPHONE	THE COST OF TELEPHONE SERVICE, INSTALLATION AND MAINTENANCE - INCLUDING EQUIPMENT, WATS LINES, TIE LINES AND LONG DISTANCE SERVICE.
070*	SAMPLE 20'S	THE COST OF CIGARETTES PACKED TWENTY TO A PACKAGE AND ISSUED FROM INVENTORY TO BE USED FOR A SPECIFIC PROMOTION.
085*	TAXES ON SAMPLES	THIS COST OF STATE AND LOCAL TAXES ON SAMPLE PRODUCTS SHIPPED FOR A SPECIFIC PROMOTION.
086*	SAMPLE 6'S	THE COST OF CIGARETTES PACKED SIX TO A PACKAGE AND ISSUED FROM INVENTORY TO BE USED FOR A SPECIFIC PROMOTION.
122	TROPHIES	ALL EXPENSES RELATED TO THE COST OF TROPHIES FOR A BRAND PROMOTIONAL EVENT.
125	SALES FORCE COLLATERAL	THOSE EXPENSES RELATED TO EVENT PROMOTION THROUGH PM SALES FORCE SUCH AS; BROCHURES, DANGLERS, AND OTHER POS ITEMS THE SALES FORCE UTILIZES TO ENHANCE EVENT PROMOTION.
133	CONSUMER INCENTIVE	MERCHANDISE GIVEN TO THE CONSUMER THAT IS USED TO HELP PROMOTE THE BRAND IMAGE. INCENTIVES INCLUDE BUT NOT LIMITED TO T-SHIRTS, TOWELS, VISORS, KEY CHAINS ETC..
137	PROMOTIONAL MATERIAL	ALL EXPENSES INCURRED FOR PROMOTIONAL ITEMS SUCH AS POSTERS, BANNERS, CUPS, NAPKINS, SAMPLING BINS, ETC..
143	TENNIS MEDIA PRODUCTION	VIRGINIA SLIMS TENNIS RELATED PRODUCTION AGENCY EXPENSE FOR MAGAZINE, AND OUTDOOR ADVERTISEMENT.

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144	TENNIS NON MEDIA PRODUCTION	VIRGINIA SLIMS TENNIS RELATED PRODUCTION AGENCY EXPENSES FOR POS MATERIALS SUCH AS CHAIRS, BANNERS, STATIONERY, AND INVITATION DESIGNS.
160	MISCELLANEOUS	BUSINESS EXPENSES WHICH ARE NOT SPECIFICALLY PROVIDED FOR ELSEWHERE.
185	STAGING/PRODUCTION	ALL COSTS RELATED TO STAGING AND PRODUCTION OF A PROMOTIONAL EVENT.
202	ARTWORK DEVELOPMENT	GENERAL PRODUCTION COSTS/AGENCY CREATIVE INCURRED BY LEO BURNETT, WELLS, RICH, GREENE OR BACKER SPIELVOGEL.
203	NON-AGENCY ARTWORK	GENERAL PRODUCTION COSTS/AGENCY CREATIVE INCURRED BY OUTSIDE AGENCIES NOT INCLUDED IN EXPENSE 202.
253	RENTALS	THE COST OF RENTAL TO INCLUDE SUCH ITEMS AS FURNITURE, MACHINE RENTALS, MUSIC RENTALS, ETC.
271	AFFILIATE EXPENSES	EXPENSES INCURRED BY PUBLIC RELATION ORGANIZATIONS RENDERING PROMOTION SERVICES FOR SUPPLIES, POSTAGE, PRINTING, ETC..
272	AFFILIATE FEES	THIS ACCOUNT WILL BE CHARGED WITH RETAINER FEES OF A PUBLIC RELATION ORGANIZATION TO PROMOTE PM-USA SPONSORED EVENTS.
273	PUBLIC RELATION MATERIAL	BANNERS, STATIONERY, CREDENTIALS, FABRIC, LEADERBOARDS, SCHEDULES, DRAWSHEETS, ETC., SUPPLIED BY PM.
275	SPEAKER FEE AND EXPENSE	FEES AND EXPENSES FOR SPEAKERS WHO ARE PRESENT AT PRESS CONFERENCES.
277	ARTIST FEE AND EXPENSE	ARTIST FEES AND THE ARTIST COST INCURRED WHILE TRAVELLING TO THE CONCERT SITE AND PRESS CONFERENCES RELATING TO MUSIC PROGRAMS.
314	PRIZE MONEY	THE PRIZE MONEY PAID BY PM USA FOR RELATED EVENTS.
360	COUPON REDEMPTION	THIS ACCOUNT WILL BE CHARGED WITH THE COST OF THE REDEMPTION OF COUPONS OR CIP'S USED FOR A SPECIFIC BRAND/EVENT PROMOTION.
369	COUPON PROMOTION	ALL OTHER CHARGES RELATING TO COUPON REDEMPTION OTHER THAN REDEMPTION PAYMENTS. EXAMPLES INCLUDE PRINTING, MAILING, CATALOGS AND TAXES.

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450	CONTRIBUTION	THE COST OF CONTRIBUTIONS MADE TO CIVIC AND CHARITABLE ORGANIZATIONS.
452	BUSINESS GIFT	THE COST OF BUSINESS GIFTS MADE TO AN ORGANIZATION OR INDIVIDUAL.
454	SPONSORSHIPS-NONTAX	CONTRIBUTIONS MADE TO SPONSOR/UNDERWRITE A SPECIAL ACTIVITY, PROJECT OR EVENT TO NON 501 (C) (3) TAX EXEMPT ORGANIZATIONS WHEREBY PM RECEIVES SOME RECOGNITION.
457	MARKETING PROJECTS	THOSE EXPENSES THAT ARE UNIQUE TO A PARTICULAR EVENT FOR TRACKING PUPOSES ONLY. EXAMPLES INCLUDE DESIGN, DEVELOPMENT AND/OR FABRICATION OF AN EXHIBIT ie. VS FASHION SPREE; OR COMPUTER SYSTEM TO TRACK NEWS MEDIA REGARDING CART RACING ie. MARLBORO AUTORACING.
470	CONSULTANT SERVICES	THE FEES AND EXPENSES PAID TO AN OUTSIDE ORGANIZATION/INDIVIDUAL FOR SERVICES OF AN ADVISORY NATURE.
471	CONSULTANT-RETIRED	THE FEES AND EXPENSES PAID TO RETIRED PM EMPLOYEES FOR SERVICES OF AN ADVISORY NATURE.
472	PROFESSIONAL SERVICES	THE FEES AND EXPENSES PAID TO AN OUTSIDE ORGANIZATION/INDIVIDUAL FOR SERVICES OF A PROFESSIONAL NATURE.
523	PRINTING GENERAL	THE COST OF ANY PRINTING OF A GENERAL NATURE PERFORMED BY AN OUTSIDE ORGANIZATION.
530	INSURANCE	THE COST OF INSURANCE FOR BUILDINGS, AUTOMOBILES, EXHIBITS, TRUCKS AND CONTENTS, ETC..
541	MAIL SERVICE	THE COST OF SPECIAL MAIL HANDLING SERVICE (SPECIAL DELIVERIES, EXPRESS MAIL) TO TRANSACT COMPANY BUSINESS.
555	PHOTOGRAPHY	THE COST OF ALL PHOTOGRAPHY DEVELOPING, PRINTING, AND PHOTOSTATIC WORK CONTRACTED FOR OR INCURRED BY PHILIP MORRIS.

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632	PURCHASED SERVICES	THE COST OF ALL PURCHASED SERVICES OTHER THAN TEMPORARY HELP, CONSULTING, AND PROFESSIONAL SERVICES. EXAMPLES INCLUDE, WATCHMAN SERVICE, PEST CONTROL, DATA PROCESSING EQUIPMENT, TRUCKING SERVICES ETC..
639	FREIGHT	COST OF ALL FREIGHT RELATED CHARGES.
653	MISCELLANEOUS CREDIT	THIS EXPENSE CLASS WILL BE CREDITED WITH THE AMOUNTS OF REVENUE GENERATED BY INDIVIDUAL COST CENTERS.
881	ADVERTISING	THE COST OF PRINTED ADVERTISEMENT TO PROMOTE A SPECIFIC EVENT.
882	HOSPITALITY	ENTERTAINMENT EXPENSES FOR GUESTS OF PM AT PM SPONSORED EVENTS.
885	CONTRACT COMMITMENT	THE COSTS FOR CONTRACTUAL SERVICES WHEREBY PM RECEIVES ENTITLEMENT TO PARTICIPATE IN A SPECIFIC EVENT. CONTRACTS WHICH ARE UNIQUE TO THIS CATEGORY USUALLY CANNOT CLEARLY IDENTIFY THE MONIES PAID FOR ENTITLEMENTS INTO SEPARATE EXPENSES; AND/OR, EXPENSES PAID TO THE " <u>CONTRACTOR</u> " ARE USUALLY COMMITTED TO 3RD PARTIES FOR SERVICES AGREED UPON WITH PM. EXAMPLES INCLUDE EVENT PARTICIPATION WHERE PM IS GRANTED PROGRAM RIGHTS TO IMPLEMENT SAMPLING, PACK SALES, SIGNAGE, TICKETS & ENTERTAINMENT TO VIP GUESTS, ETC..

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MARLBORO AUTO RACING

Chart of Accounts

<u>ACCOUNT</u>	<u>CENTER</u>	<u>ACCOUNT DESCRIPTION</u>
044035	440110E110	MEALS/ENTMT 80%
044041	440110E110	TELEPHONE EXPENSE
044060	440110E110	EXP WITH OTHERS
044122	440110E110	TROPHIES
044132	440110E110	SWEEPSTAKES CONTINUITY
044133	440110E110	CONSUMER INCENTIVE
044137	440110E110	PROMOTIONAL MATERIALS
044160	440110E110	MISCELLANEOUS
044185	440110E110	STAGING/PRODUCTION
044202	440110E110	AGENCY ARTWORK
044203	440110E110	NON-AGENCY ARTWORK
044253	440110E110	RENTALS
044271	440110E110	AFFILIATE EXPENSES
044272	440110E110	AFFILIATE FEES
044273	440110E110	P.R. MATERIALS
044275	440110E110	SPEAKER FEE/EXPENSES
044276	440110E110	PRESS CONFERENCES
044277	440110E110	ARTIST FEES/EXPENSES
044289	440110E110	INCENTIVE PROGRAM
044314	440110E110	PRIZE MONEY
044452	440110E110	BUSINESS GIFTS
044453	440110E110	SPONSORSHIPS-TAX EX
044454	440110E110	SPONSORSHIPS-NON TAX EX
044457	440110E110	MARKETING PROJECTS
044470	440110E110	CONSULTANT SERVICES
044472	440110E110	PROFESSIONAL SERVICES
044523	440110E110	PRINTING GENERAL
044530	440110E110	INSURANCE
044541	440110E110	MAIL SERVICE
044555	440110E110	PHOTOGRAPHY EXPENSES
044632	440110E110	PURCHASED SERVICES
044639	440110E110	FREIGHT
044653	440110E110	MISCELLANEOUS CREDITS
044799	440110E110	PRIOR YEAR REVERSAL
044881	440110E110	ADVERTISING
044882	440110E110	HOSPITALITY
044885	440110E110	CONTRACT COMMITMENT
046600	0015	ADMINISTRATIVE HELP
3042	13116099	PUBLICATIONS
046615	0000	DEPARTMENT MISCELLANEOUS
900000	8002000000	INTER-COMPANY ACCT CODE

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Expense Accounts/
Statements

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EXPENSE ACCOUNTS/STATEMENTS
GUIDELINES and PROCEDURES

(Reference: PM USA Financial Manual: Policy #02-100
Procedure #02-110)

General

- o Reports must be done in ink or typewritten, never in pencil. Expense statement software is available on most Company PC's.
- o An expense statement must be submitted within 30 days of incurring the expenses.
- o Expenses must be itemized on a daily basis in chronological order.
- o Appropriate receipts for any expenditure of \$25.00 or more must accompany the expense statement. Original receipts are required, whenever possible.
- o Expenditures for small, miscellaneous items are not to be grouped together.
- o The use of credit cards is encouraged whenever possible.
- o **Items Which Should Not Be on an Expense Statement**
 - o Business equipment (requires a purchase order). If purchase outside of PM has been approved, it should be submitted with an invoice along with a receipt.
 - o See Financial Manual for other disallowed expenses.

Credit Cards

- o PM employees are issued a Corporate credit card to be used for all Company related travel expenses. (See attached "Card Usage" Question & Answer Information.)

Telephone

- o Employees should use their company issued telephone credit card when making calls away from the office.

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Travel Advances

- o Temporary travel advances may be allowed for business trips where substantial expenses will be incurred for which credit cards cannot be used.
- o Any temporary travel advance is to be accounted for and settled when the related expense statement is submitted.
- o No further advances can be issued until outstanding advances have been reconciled on an expense statement.

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QUESTIONS & ANSWERS: PHILIP MORRIS HEADQUARTERS

CARD USAGE FOR BUSINESS TRAVEL & ENTERTAINMENT

1. Q. WHAT PROMPTED THE DECISION TO ISSUE A CORPORATE CARD TO ALL FREQUENT TRAVELERS?
 - A. The need to obtain spending information regarding travel, especially the use of hotels. Substantial discounts for Philip Morris can be obtained if accurate information is available and utilized for negotiating preferred rates. In addition, the American Express receipts will help employees document their Expense Reports and serve as an administrative benefit to Philip Morris.
2. Q. WHAT BENEFITS DO I, THE CARDMEMBER RECEIVE?
 - A. Use of the Corporate Card will provide the following benefits to you.
 - A. It will eliminate the need for you to charge Company-related expenses on your personal credit card. As a result, business expenses will not reduce your personal credit line.
 - B. It will eliminate the need for cash advances.
 - C. Use of the corporate card receipt as intended will assist in the preparation of Expense Reports. The reverse side of the receipt provides space to capture the business reason for each expenditure.
 - D. It will provide emergency check cashing privileges at participating hotels, motels, and American Express Travel Service Offices.
 - E. 24-Hour Customer Service for emergencies and billing inquiries (1-800-528-2122).
 - F. Global Assist - Legal and Medical assistance while traveling (1-800-554-2639).
 - G. \$200,000 Business Travel Accident Insurance is free and automatic when you charge your airline ticket to your Corporate Card. Baggage Insurance up to \$1,750 is also automatic and free.

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- H. The Membership Miles program offers you the opportunity to accumulate frequent flier miles based on total dollars charged. Annual Membership fees will not be reimbursed by the Company.

3. Q. WHAT IS THE BILLING PROCEDURE GOING TO BE?

- A. All charges incurred and reported to American Express by the 2nd of the month will be billed and mailed so that you receive a statement by the 10th of the month. All charges will be billed to you at home. If you want your bill forwarded someplace other than your home contact American Express for a Billing Address Change.

4. Q. HOW IS THE CARD TO BE USED?

- A. All business expenses including **airfares**, car rentals, hotels, entertainment, and meals should be charged to the American Express Corporate Card .

5. Q. WHAT IF A RESTAURANT DOES NOT TAKE THE AMERICAN EXPRESS CARD?

- A. You may pay by other means and submit the charge on an approved expense report with proper documentation.

6. Q. IS THERE A PRESET SPENDING LIMIT ON THE AMERICAN EXPRESS CORPORATE CARD?

- A. No preset spending limit exists providing you with increased flexibility to conduct business activity. Travel plans will not be restricted due to lack of credit, especially when trips are extended or include international travel.

AMEX BILLING PROCEDURES: EMPLOYEE ADJUSTMENTS & PAYMENT

7. Q. AM I RESPONSIBLE FOR SETTLING MY CARD CHARGES DIRECTLY WITH AMERICAN EXPRESS?

- A. Yes. You, as the Corporate Cardmember, are solely and personally responsible to AMEX for all authorized charges made in connection with the Corporate Card issued to you. The Company is not responsible to AMEX for payment of such charges.

All airfare, will now be individually billed to employees via the Card and paid by the Cardmember instead of the Company.

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8. Q. **WHEN WILL I BE BILLED BY AMERICAN EXPRESS AND WHEN DO I HAVE TO PAY THEM?**
- A. You will be billed once monthly and receive your statement on approximately the 10th of the month for all charges incurred by your use of the Card. The entire AMEX billing statement is due and payable upon receipt. You must remit payment to American Express promptly to avoid delinquency.
9. Q. **HOW WILL FOREIGN CURRENCY BILLS BE CHARGED?**
- A. Under the Corporate Card Program, charges incurred in a foreign currency will be converted to U.S. Dollars. The conversion rate used by AMEX will be at least as favorable to you as an interbank rate, a tourist rate, or where required by law, an official rate, which rate is in existence within twenty-four hours of the time that the charge is processed by AMEX or by their authorized agents, plus 1% of the converted amount. Amounts converted by common carriers, such as airlines, will be billed at rates the carriers use.
- If you have previously submitted an Expense Report for the charge and the exchange rate billed by AMEX is significantly different, you should submit a supplemental Expense Report for any loss, or remit any gain to the Company for credit to your departmental travel expense.
10. Q. **WHAT IF THERE IS A MISTAKE ON MY AMEX BILL?**
- A. Your monthly AMEX statement will include a copy of each transaction. You should call the representative (1-800-528-2122), identify yourself as a Cardmember and describe the mistake. Be certain to request a credit to your account for the amount of the disputed item.
11. Q. **DO I HAVE TO PAY AMERICAN EXPRESS IF CHARGES ARE INCORRECT OR DISPUTED?**
- A. No. As indicated above, American Express should be notified immediately either by phone and/or letter. Incorrect or disputed items should be shown as a deduction on the portion of the invoice to be returned to American Express with your check for the net amount.
12. Q. **HOW DO I HANDLE CREDITS FOR UNUSED AIRLINE TICKETS?**
- A. Credit procedures for totally or partially unused tickets will remain the same. All partially unused tickets should be attached to an approved expense statement and submitted to your Accounts Payable department. All totally unused tickets must be hand delivered to your Travel Services

department or the issuing agent. Please note, that unless there are extenuating circumstances all tickets should be issued by your Travel Services department. When a credit is applied for, total or partial, make sure the passenger receipt is attached. A credit cannot be issued unless this documentation is forwarded to Accounts Payable or Travel Services.

Once a credit has been applied for, Travel Services will forward a receipt indicating the estimated value of the credit for your records.

If a credit has been applied for but your monthly AMEX statement still reflects a charge for the ticket simply contact the AMEX representative at 1-800-528-2122 and inform them that a credit has been applied for. Payment to AMEX should equal the balance due less the disputed charge. The next monthly billing cycle will be adjusted for the credit received. It is important to note that credits should be applied for immediately upon return of the trip. This will insure a timely adjustment by AMEX to your monthly bill.

13. Q. WHAT IF I AM OUT OF TOWN OR ON AN EXTENDED TRIP WHEN MY AMEX BILL ARRIVES?

A. If you will be back within a few days after the billing arrives, there is no problem. If you will not be back for quite a while, contact American Express at 1-800-528-2122. Special arrangements can be made to have your statement forwarded to you. You need to handle this liability much as you would any of your other financial obligations.

14. Q. WON'T THERE BE TIMES WHEN I HAVE TO PAY AMERICAN EXPRESS FOR TRAVEL EXPENSES BEFORE I HAVE BEEN REIMBURSED?

A. This is not likely if you have stayed current in the filing of your Expense Reports. To avoid being billed before Company reimbursement, you should file your Expense Report within 2 to 3 days of your trip return.

15. Q. WHAT IF I AM LATE IN PAYING MY BILL?

A. If payment does not reach American Express by the next billing cutoff date, your account will be considered 30 days past due (delinquent) and you will be notified.

Accounts over 60 days in arrears (seriously delinquent) will be reviewed with the appropriate Company management. In addition, a delinquency charge will be assessed and your charging privileges suspended.

16. Q. WHO PAYS THE DELINQUENCY CHARGE?

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- A. You must pay it. Delinquency charges will not be reimbursed by the Company.
17. Q. **WHAT HAPPENS IF MY CORPORATE CARD IS CANCELLED FOR NONPAYMENT?**
- A. American Express at first will attempt to collect the outstanding balance from you. If unsuccessful, AMEX may elect to enlist the services of a collection agency. Court costs plus attorney fees of 15% of the then unpaid balance may be added to your account if AMEX has to refer it to an attorney for collection. At this point, the information becomes a matter of public record.

EMPLOYEE EXPENSE REPORT PREPARATION

18. Q. **WHEN AND HOW OFTEN DO I HAVE TO FILE AN EXPENSE REPORT?**
- A. Ideally, you should submit an Expense Report promptly upon the conclusion of each trip or material business event (luncheon, entertainment, etc.). If you follow that procedure, you will be reimbursed by the Company for any cash and/or AMEX card expenditures prior to being billed by American Express. At a minimum, you are expected to file no less frequently than monthly for every month in which business expenses have been incurred.
19. Q. **WILL THE CORPORATE CARD CHANGE EXPENSE REPORT PROCEDURES?**
- A. Not at all. The only change to the current procedures is that airline charges will be billed on your card. The American Express Corporate Card System will simplify reconstructing monthly expenditures and save you time in completing Expense Reports. It provides complete and consistent documentation for over 95% of business expenses. By having all of your expenses charged to the AMEX card, you will probably find it more convenient than under the current system.
20. Q. **ARE THERE ANY CHANGES IN THE ESTABLISHED DOLLAR LIMITS FOR WHICH RECEIPTS ARE REQUIRED TO SUBSTANTIATE TRAVEL & ENTERTAINMENT EXPENSES?**
- A. No. Original receipts (Cardmember copies of the AMEX "record of charge") will still be required for individual expenditures of \$25 or more.

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21. Q. **SHOULD I INCLUDE ON MY EXPENSE REPORT DISPUTED AMOUNTS APPEARING ON MY AMEX BILL?**

- A. No. Items in dispute appearing on the AMEX bill should not be included on your Expense Report. You should contact American Express and notify them of any such items. Employees are responsible for resolving all disputed charges on their American Express accounts.

Maintain a photocopy of each Expense Report and all supporting documentation for reference in the event of a dispute with any vendor. American Express has indicated they will accept a photocopy of the Cardmember copy of the "record of charge" in the event of a disputed item.

22. Q. **HOW CAN I ENSURE RECEIPT OF COMPANY REIMBURSEMENT BEFORE PAYMENT TO AMERICAN EXPRESS REQUIRED?**

- A. This can only be ensured by the submission of your Expense Report in accordance with Company policy. All expenses must be reported promptly. Any items older than 30 days require approval of a Vice President.

23. Q. **HOW DOES AMEX TRAVEL ACCIDENT INSURANCE WORK?**

- A. You will receive \$200,000 "24-hour" insurance automatically every time you travel by common carrier and your land, sea or air tickets are charged to the Corporate Card. This insurance is paid in addition to any personal or Company insurance already provided and is at no cost to you. Unless otherwise designated, the death benefit is payable in the following order of priority: (1) Spouse, (2) children, (3) parents, (4) brothers and sisters, (5) executor or administrator. Dismemberment benefit is payable only to the insured. If you wish to designate a specific beneficiary, forms can be obtained from AMEX.

You may also purchase additional per trip or annual insurance coverage from AMEX. The cost of any such insurance will be billed directly to you and will not be reimbursed by the Company.

\$1,750 in supplemental baggage insurance is also automatically provided by the Card without any cost to you.

24. Q. **DOES THE CARD ENTITLE ME TO ANY PERSONAL CHECK CASHING PRIVILEGES?**

- A. Yes. Cardmembers may obtain emergency cash by cashing personal checks, using their Corporate Card as a form of guarantee for:

- Up to \$1,000 (\$200 cash, \$800 in traveler's cheques) at most AMEX Travel Services Offices (over 1,700, in more than 120 countries).
- Up to \$250 at participating hotels and motels in the U.S. and Canada where lodging is charged to the Card (up to \$100 overseas).
- Up to \$50 at various participating domestic airline ticket counters when you hold a valid ticket for use within the next or last 48 hours.
- Up to \$50 at various car rental agencies within 48 hours of designated rental time.

25. Q. WHAT IS AN AMERICAN EXPRESS "GUARANTEED RESERVATION"?

A. When a hotel room is "Guaranteed" via the American Express Card, the hotel (over 8,000 hotels and motels across the U.S. and Canada), will "hold" your room for you regardless of when you arrive. If, however, a room is not available for you upon arrival, the hotel will:

1. Find you similar accommodations at another hotel and pay for your first night's stay.
2. Provide you transportation to another hotel.
3. Allow you a phone call to notify relatives or business associates of your move to another hotel.

In addition, with the Card, express check-in and check-out is available at over 1,000 participating hotels and motels.

You will be charged for your "Guaranteed Reservation" if you don't check in. If your plans change, cancel your reservation, generally before 4:00 PM, and record your cancellation number.

26. Q. IF I CURRENTLY HAVE A PERSONAL AMEX CHARGE CARD OR OTHER MAJOR CREDIT CARD, DO I HAVE TO ALSO TAKE A COMPANY ISSUED CORPORATE CARD?

A. Yes. Participation in the Corporate Card Program is not optional.

27. Q. WHY CAN'T I USE MY PERSONAL AMERICAN EXPRESS CARD AND AVOID CARRYING TWO CARDS AND HAVING TO WRITE TWO CHECKS TO AMEX MONTHLY?

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- A. Charging all business travel expenses exclusively to the Corporate Card will enable the Company to compile usage data for travel, which is critical for negotiating discounts with hotels, car rental companies and airlines.
28. Q. **CAN I USE THE CORPORATE CARD FOR PERSONAL CHARGES?**
- A. No. The Corporate Card is to be used for business related travel and entertainment expenses.
29. Q. **CAN OTHER MEMBERS OF MY FAMILY USE THE CARD?**
- A. No. The Card is for the employee's business use only.
30. Q. **DO I HAVE TO PAY A FEE FOR THE CARD?**
- A. No. The Card is provided by the Company at no cost to its employees.
31. Q. **WHAT IF MY AMERICAN EXPRESS CORPORATE CARD IS LOST OR STOLEN?**
- A. Report the loss directly to American Express at once (1-800-528-2122) for replacement.
- A replacement Card will automatically be forwarded by American Express to your address. If necessary, it can usually be provided within 24 hours.
- By reporting the Card lost or stolen immediately, you will not be liable for charges arising from its unauthorized use.
32. Q. **WHAT IF I LEAVE THE COMPANY FOR ANY REASON, CAN I KEEP MY CORPORATE CARD?**
- A. No. If you terminate employment, your account will be cancelled. You must cut your Card in half and return it to your manager or supervisor for forwarding to the Travel Department. You will remain personally responsible for any outstanding charges on your account.
33. Q. **WHAT SHOULD I DO WITH MY EXISTING UNITED AIRLINES TRAVEL CARD?**
- A. Once the American Express Card has been received, the United Airlines travel Card should be cut in half and returned to your Travel Service department. Effective June 1st, these cards will expire so if you have not received the American Express Corporate Charge Card by May 27, 1993, contact your Travel Services department immediately.

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NON-REIMBURSABLE EXPENSES

(Reference: PM USA Financial Manual Policy #02-100; Page 12)

- o Excessive and/or unexplained expenses.
- o Travel expenses of employee's spouse and family unless prior approval has been granted in accordance with established policy.
- o Sight seeing or personal side trips.
- o Transportation between home and to regular place of employment.
- o Unauthorized attendance at conventions, meetings and conferences.
- o Travel insurance.
- o Personal credit card fees, except for the one already reimbursed in accordance with the established policy for consultants only. (Employees corporate card fee is paid by PM.)
- o The cost of club memberships or dues except where prior written approval has been obtained.
- o Personal entertainment.
- o Personal reading material.
- o Special room service or baby sitting services.
- o Purchase or replacement of luggage, clothing, jewelry or any other personal items.
- o Hair styling, manicurist and other items of personal grooming.
- o Theft, loss or damage of money or personal property.
- o Repairs, maintenance and insurance of personal property.
- o Airport lounge fees.
- o Medical care, except for reimbursement in accordance with established policy.
- o Smoking supplies.
- o Telephone answering services.
- o Excessive personal telephone calls.
- o Traffic violations.
- o Lost ticket processing charges imposed by airlines.

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Travel Policy

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TRANSPORTATION

(Reference: PM USA Financial Manual Policy #02-100
Fred Laux Memo Dated June 4, 1992)

- o Air transportation is encouraged because there is usually a time savings and often a dollar savings as compared with other modes of transportation.
- o PM employees must use the PM USA Travel department for all travel arrangements and tickets.

Airline

- o Vice Presidents and above may travel First Class at their discretion.
- o Directors may travel Business Class Internationally at their own discretion and First Class Domestically on flights of two and one-half (2 1/2) hours or more in duration.
 - o Upgrades to First Class for flights less than 2 1/2 hours or First Class on International flights must be approved in advance on a case-by-case basis by the functional Vice President.
- o Employees below the level of Director must fly economy (Coach) Class.
 - o Upgrades can be authorized by the functional Vice President on a case-by-case basis under the following circumstances:
 - o Upgrade to Business Class on flights of six (6) hours or more.
 - o Upgrade to First Class on flights of 12 hours or more.
 - o Where there is a business need such as:
 - o Traveling with a customer.
 - o A business discussion with a Vice President.
 - o Only one employee may be upgraded in either case and this upgrade must be approved by the functional Vice President.

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Exceptional Air Travel Services

- o Travel on supersonic aircraft such as the Concorde or a specialty airline offering extraordinary services at a premium price must be authorized by the President and CEO of Philip Morris USA.

Frequent Flyer Travel Programs

(Reference: Fred Laux Memo Dated June 4, 1992)

- o Employees are allowed to keep frequent flyer travel awards while travelling on business.
- o All travel arrangements must be made using the most direct and cost effective routing without regard to the accumulation of travel awards.
- o This policy applies to airlines, hotels and rental cars.
- o If frequent flyer upgrades are used (and business/first class is indicated on the ticket), there must be a notation on the ticket.

Corporate Aircraft

- o Employees are encouraged to use available seats on Company's aircraft when schedules coincide.
- o For seat or aircraft availability, contact the PM USA Travel Department.

Private Aircraft

- o The use of private aircraft is specifically prohibited unless prior written approval is obtained from a Corporate Vice President.
- o A copy of the written approval must be submitted to the Corporate Insurance Department.
- o The employee will still assume all liability for any personal injury or property damage.

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Expense Statement

- o For tickets secured through the PM USA Travel Department:
 - o The use of company provided air tickets must be indicated on the expense statement.
 - o Unused portions of airline tickets are to be attached to the expense report for refund and an explanatory note made on the expense statement.
 - o See Q&A for refunds of air tickets on Corporate American Express cards.
- o If corporate aircraft was used, a check should be placed in the "CA" column on the (Employee) expense statement form.

Rail/Bus

- o Travel by train or bus is optional.
- o Employees below the level of Director must have approval by their functional Vice President if:
 - o Length of trip is 12 hours or longer.
 - o The use of pullman, roomette or similar services is required.

Personal Automobile

- o Reimbursement will be made at approved rates (28 cents per mile per W.W. Goodman 12/31/91 memo) plus tolls, reasonable parking and storage fees if the employee uses their personal car on company business.
- o The use of personal car for business travel, where public transportation is suitable, must be authorized in advance.
- o Employees are not reimbursed for normal daily commuting expenses.

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Rental Car/Chauffeured Car Services

See specific sections:

- o Auto Rental
- o Voucher Car Service Policy
- o Ground Transportation Policy

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HOTEL

(Reference: PM USA Financial Manual: Policy #02-100
Procedures #02-110
Fred Laux June 4, 1992 Memo

- o Philip Morris has agreements in place with hotels in many major cities. Employees are expected to use these properties their business travel. These hotels should be booked through PM USA Travel Department.
- o All reservations should be made through PM-USA Travel Department.
- o Expenses should be broken out by category and by day.
- o There is no reimbursement for room rent incurred when staying overnight at relatives' or friends' residences.
- o Valet services are reimbursable when an employee is away from their own city for more than two days.
- o Laundry expense is reimbursable when the trip exceeds one week.
- o A telephone credit card should be used when making calls from the hotel room in order to avoid additional hotel charges.
- o Traveling with spouse: (Harry Steele 11/27/89 Memo)
 - o Prior written approval of a senior function head is required.
 - o PM USA Travel Department will require a copy of the approval before reservations will be booked.
 - o A copy of the approval must also be attached to the expense statement submitted for reimbursement.
 - o Lodging expenses equal to that which would have been incurred if the employee had traveled alone.
 - o Similar cost allocation and reimbursement procedures apply in the cases of other family members who may accompany the employee on a business trip.

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- o Expenses not covered:
(See attached for complete list)
 - o In-room movies
 - o Specific alcohol charges
 - o Unreasonable amount of telephone calls
 - o Use of health club

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PAYMENT PROCEDURE

- o Managers, Group Managers and Directors are responsible for reviewing and approving everything on the expense statement. This is not the job of the Accounting Department.
 - o Expense reports are returned if:
 - o A receipt is missing
 - o It contains an unusual business expense
 - o Inadequate monetary approval
- See attached Review of Travel Expense Vouchers
- o Payment is made the next business day following the date the expense statement is reviewed, approved, and processed by the Accounts Payable Department.

Consultants

- o The consultant's invoice and related expense statement is sent to the Accounts Payable Department and should be accompanied by a voucher (see sample attached).
- o The expense statement voucher must include:
 - o Accounting code
 - o Appropriate signatures and approvals
 - o Contract number
- o The Accounts Payable Department reviews the expense statement for accuracy and contract compliance.

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MEALS/ENTERTAINMENT

(Reference: PM USA Financial Manual: Policy #02-100; Page 8/9
Procedures #02-110)

- o "Meals" are for the employee alone.
- o "Expense with Others" is for meals or entertainment with anyone else, including (other) employees.
- o Intracompany entertainment should be kept to a minimum.
- o The stub at the bottom of a restaurant check will not be accepted.
- o If **cash** is the method of payment, the receipt must include the restaurant name and location.
- o The cost of meals should be appropriate to the nature of the business trip and consistent with the employee's normal standard of living.
- o The costs of cocktails, liquors or other drinks other than with meals are personal expenses and are not reimbursable except when incurred to entertain business guests and must be reported as "Expense with Others".
- o Receipts for **entertainment** must include the name(s), company affiliation, location of entertainment, amount and business nature.

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AUTO RENTAL

(Reference: PM USA Financial Manual: Policy #02-100; Page 5)

The auto rental policy applies to employees when doing business on behalf of Philip Morris:

- o PM has a national contract with the following companies (agreement highlights attached):
 - o Primary Vendor: Avis Rent A Car Systems
 - o Secondary Vendor: Budget Rent A Car Corporation

Note: Budget should be considered only when Avis is not available.
- o All car rental reservations should be made through the PM-USA Travel Department.
- o **Additional insurance coverage:**
 - o Lost Damage Waiver (LDW) coverage is included in the national contracts.
 - o Should not be taken for any supplementary insurance features in conjunction with car rentals .
 - o The accounting department will not reimburse cost.
 - o Any cost resulting from the lack of insurance coverage will be paid by PM.

Note: This does not apply to autos rented outside the United States.

 - o The master policies do not cover convertibles. If a convertible is rented, the renter is responsible for obtaining and paying for the additional coverage(s), which will not be reimbursed.
 - o When neither Avis nor Budget are available and another major national car rental company (such as National or Hertz) must be used, only additional liability coverage should be taken; all other supplemental coverages should be declined.

2042043083

- o In the event of collision damage:
 - o Do not pay for damages directly.
 - o Obtain a written estimate for the cost of repairs.
 - o Request that cost to repair damage or the amount of deductible (whichever is less) be billed directly to PM (insurance department).
 - o The PM insurance department will review the claim and process the payment directly to the car rental company.

Note: Read car rental agreements carefully and comply with provisions relating to immediate reporting of automobile accidents.

2042043084

MEETINGS/CONFERENCES/SEMINARS

- o All arrangements are to be made through PM USA Travel Department or the local coordinator.
(Reference: Fred Laux 6/4/92 Memo; Paragraph C 2 b)
- o In the case of master billings, incidental expenses such as meals, entertainment, telephone calls, etc., should be submitted on an expense statement.
(Reference: Harry Steele 11/27/89 Memo; Paragraph 4)

2042043085

Forms

2042043086

[illegible]

CONSULTANT EXPENSE REPORT FORM

Name _____

Expense Period: _____

Purpose of Trip: _____

City/State: _____

Date: _____

Signature: _____

Account Executive

Signature: _____

FORM #3396 NY
PM INC. 1/83
COMP D3949/A109

Date	VENDOR/DESCRIPTION	TRANSPORTATION			Room & Tax	Meals	Expense w/Others	Phone	Misc.	Total
		Airfare/ Rail, Etc.	Car Expense	Cabs						
MARCH 1	TRANSPORT TO LAX - 60 MI E 284		16.80							16.80
	LAX - LUGGAGE CART								1.50	1.50
	LAX - SNACKS					2.59			2.59	2.59
	LUGGAGE CART - INDY AIRPORT								1.00	1.00
	HYATT REGENCY		7.00		154.00			48.40	13.00	222.40
	TIPS - HYATT								2.00	2.00
MARCH 2	TIPS - HYATT								2.00	2.00
	BOMBAY BICYCLE CLUB						15.00*			15.00
	LUGGAGE CART - INDY AIRPORT								1.00	1.00
	SNACK - INDY AIRPORT					2.50				2.50
	LUGGAGE CART - LAX								1.50	1.50
	PARKING - LAX		28.00							28.00
	TRANSPORT FROM LAX - 60 MI E 284		16.80							16.80
	AMSTER TRAVEL	1180.00								1180.00
	TOTAL \$	1180.00	69.60	-	154.00	5.09	15.00	48.40	22.00	1493.09

[illegible]

* LUNCH WITH MARY LOU BEAUDRY (PENSIVE CORP.)

PHILIP MORRIS USA
REVIEW OF TRAVEL EXPENSE VOUCHERS

Accompanies
Returned Expenses

To: _____

The enclosed expense statement has been returned to you for the following action:

- ☐ 1. Please account for temporary travel advance.
- ☐ 2. Please prepare expense statement **in ink**.
- ☐ 3. Please itemize expenses on a daily basis (numerical date order).
- ☐ 4. Please identify P.M. guest name, their company affiliation and P.M. employees included in entertainment (Expense With Other).
- ☐ 5. Please indicate business purpose (brief description or topic).
- ☐ 6. Please attach original receipts for:
 - ☐ a. Transportation paid by company.
 - ☐ b. Transportation paid by you.
 - ☐ c. Hotel bill.
 - ☐ d. Individual expenditures in the amount of \$25. or more.
- ☐ 7. Please give description and where expenses incurred (Daily Basis).
- ☐ 8. Please indicate transportation expenses or check corporate aircraft column (c/a).
- ☐ 9. Please indicate the number of miles; P.M. rate; and destination to, from and return for personal car mileage.
- ☐ 10. Please segregate other expenses included on hotel bill from room charges (including applicable sales tax and city tax) applied to the room column.
- ☐ 11. Please indicate meals in the company of others in the column "Expenses With Others". All other or individual meals are indicated in the "Meal" column.
- ☐ 12. Please deduct the purchase of additional travel insurance (*cost non-reimbursable*).
- ☐ 13. Please correct totals by lining out the incorrect amount and writing the correct figures over it. (*Do not use White-Out*)
- ☐ 14. Please sign your expense statement.
- ☐ 15. Please obtain approval for expenses 30 days or older.
- ☐ 16. Please obtain appropriate approvals in compliance with the Monetary Approval Authority.
- ☐ 17. Please obtain an officer's approval for travel of spouse.
- ☐ 18. Please remit your check (no cash) for the amount of \$ _____ owed to Philip Morris.
- ☐ 19. Other, explained below:

If you are in doubt as to what action is necessary in order that the enclosed expense statement may be processed, please contact the USA Accounting Department.

After you have taken the necessary action, please return the expense account to the USA Accounting Department for processing with this form attached.

For future expense statement preparation, please refer to the P.M. Expense Policy. Copies can be obtained by contacting the USA Accounting Department.

Number
FORM #1474A PM USA REV 10 87 COMP AREA 5000

Date

USA Accounting Department

2042043091

Purchase Orders

2042043092

PURCHASE ORDERS

- o Any goods or services exceeding \$500.00 requires a contract (services) and/or purchase order (goods) **except:**
 - o Telephone
 - o Utilities
 - o Contributions
 - o Hotel bills
 - o Hospitality, catering, banquets and meals
 - o Magazine and newspaper subscriptions
 - o Seminars
 - o Temporary help
 - o Placement fees for new employees
 - o Courier charges
 - o Taxes
 - o Sample cigarettes
 - o Postage
 - o Theatre and sports tickets
 - o Reimbursement for interview expenses
 - o Dues
- * Personal expenses (on behalf of PM) needs approval of immediate superior on the voucher.
- o **The Purchasing Department should be contacted to do a purchase order so that established guidelines are followed. The Purchasing Department should be used for procurement of goods and P.O. issuance.**
- o Hardware, such as office equipment, needs a purchase order regardless of the cost.
- o In some cases, goods may also require a contract (if ongoing services in relation to the hardware are being performed, e.g., maintenance, storage, etc.)
- o Office equipment must be purchased through Building Services at PM. This department is the only one who can decide if an exception can be made to purchase equipment outside of PM.
- o Any PM employee may sign off to verify that goods have been received (Bill of Lading required). Because appropriate signatures were secured when the purchase requisition was being circulated, a Director or Vice President signature is not necessary on the invoice; the important thing is to establish goods were received.
- o Payment terms are 30 days.

(Sample copy of purchase order attached.)

2042043093

PURCHASE ORDER

draw THIS ORDER NO.
ON YOUR INVOICE

PHILIP MORRIS

U.S.A.

120 PARK AVENUE, NEW YORK, N.Y. 10017

CABLE ADDRESS: PMO NEW YORK

PHONE: AREA CODE 212-880-8000

DATE

FORM #1615U PM USA REV. 2/82 COMP. 50(4)

VENDOR NO.

VENDOR:

SHIP
TO

REQUISITIONER	BUYER	BID REF./EXP. INT.	CONFIRMING TO	TAXABLE
F.O.B.	ROUTE VIA	PREPAID	TERMS	

1. Purchase Order number must appear on all invoices, bills of lading, cases, packing list and correspondence.
2. Invoices must be rendered on day of shipment to: 120 Park Avenue, N.Y., N.Y. 10017.
3. Refer to PM USA Routing Guide for instructions on carrier selection and freight invoicing.

LINE	QUANTITY	UM	UNIT PRICE	AMOUNT
------	----------	----	------------	--------

By _____

PHILIP MORRIS U.S.A.

THIS PURCHASE ORDER IS ALSO SUBJECT TO THE PRINTED TERMS AND CONDITIONS ON THE REVERSE AND TO ALL ATTACHMENTS HERETO. TOGETHER THEY CONSTITUTE THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER ON THEIR SUBJECT MATTER. NO REVISION OF OR ADDITION TO ANY OF THEM SHALL BE EFFECTIVE WITHOUT BUYER'S WRITTEN AGREEMENT. ANY SHIPMENT HEREUNDER CONSTITUTES ACCEPTANCE BY SELLER OF ALL TERMS AND CONDITIONS.

2042043094

Monetary Approval
Matrix

2042043095

PHILIP MORRIS USA MONETARY APPROVAL MATRIX (Effective 3/1/92) (\$000)							
EXPENDITURE/APPROVAL LEVEL	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6	LEVEL 7
Capital Appropriation/Job Order	\$ 5,000	\$ 3,000	\$1,000	\$ 250	\$100	\$25	\$10
Purchase Requisition-MRO/Invoice Without Purchase Order	1,000+	1,000+	1,000	250	100	25	10
Consultants	500+	500	250	--	--	--	--
Travel Expenses/Travel Advance	10+	10+	10+	10+	10	5	3
Rentals & Leases-Annual Amount	5,000	3,000	1,000	250	100	25	--
Rentals & Leases-Aggregate Amount	50,000	30,000	5,000	750	200	50	--
	President	VP's Reporting To President	Richmond Function Heads (ROC) ----- VP's Reporting To VP's	Directors ----- VP's Reporting To Richmond Function Heads	Plant Managers ----- Directors Reporting To Directors ----- Senior Department Managers Reporting To Richmond Functional Heads ----- Brand Managers	Senior Managers	First Line Managers

FC20080/10
02/25/92

2042043096

YOUNG Distribution
List

2042043097

Voucher Distribution List

Procedures

- Sent to Program Manager by Accounting Department once or twice a month.
- Program Manager reviews.
- Program Manager makes adjustments with designated Accounting Department contact.
- Program Manager submits with comments as needed to Group Manager as an FYI.
- Group Manager returns to the Program Manager for filing.

2042043098

10/01/92
RPT=,MAT2012X0

PHILIP MORRIS U.S.A.
VOUCHER DISTRIBUTION REPORT BY PROJECT CODE
(SORT SEQ: PROJECT CODE, BRAND CODE, GL CODE, COST CENTER, EXPENSE)

PAGE 23

ACCTNO	VENDNO	VENDNAME	LN	INVD	PONO	VOUCHER	PART NUMBER/DESCRIPTION	DISTAMT
044041	440116L910	315253 NEW YORK TELEPHONE	1	0972296MAY		254528		400.63
EXP TOTAL								400.63
044137	440116L910	331396 LIN PAC FLEXIBLE PAC	1	13845	N80608	252776	\$ 71775	6,942.00
044137	440116L910	328480 DELTA APPAREL	1	80846	Y12588	253232	\$ INC-54601	2,088.00
044137	440116L910	328480 DELTA APPAREL	2	80846	Y12588	253232	\$ INC-54602	3,828.00
044137	440116L910	328480 DELTA APPAREL	3	80846	Y12588	253232	\$ INC-54603	2,436.00
044137	440116L910	310124 HENSCHEL-STEINAU, IN	1	26530	J11834	253585	\$ 71780	1,995.25
044137	440116L910	310778 GRAPHIC CONCEPTS	1	9016		254063		105.00
044137	440116L910	310020 LITHOTRONICS	1	14549	N80770	254214	\$ PRI-71738	8,490.00
044137	440116L910	310020 LITHOTRONICS	2	14549	N80770	254214	\$ PRI-71746	8,490.00
044137	440116L910	310020 LITHOTRONICS	3	14549	N80770	254214	\$ PRI-71747	8,490.00
044137	440116L910	310020 LITHOTRONICS	1	14550	N80770	254222	\$ PRI-71737	4,956.30
044137	440116L910	310020 LITHOTRONICS	2	14550	N80770	254222	\$ PRI-71781	4,956.30
044137	440116L910	310020 LITHOTRONICS	3	14550	N80770	254222	\$ PRI-71782	4,956.30
044137	440116L910	317303 M & R PROMOTIONS INC	1	2256	N80769	254558	\$ 00100000	10,448.83
044137	440116L910	310778 GRAPHIC CONCEPTS	1	18321	N79702	254724	\$ PRI-71740	2,838.00
044137	440116L910	310778 GRAPHIC CONCEPTS	2	18321	N79702	254724	\$ PRI-71744	379.80
044137	440116L910	310778 GRAPHIC CONCEPTS	3	18321	N79702	254724	\$ PRI-71741	3,280.00
044137	440116L910	310778 GRAPHIC CONCEPTS	4	18321	N79702	254724	\$ PRI-71742	3,085.00
044137	440116L910	310778 GRAPHIC CONCEPTS	5	18321	N79702	254724	\$ PRI-71743	4,780.00
044137	440116L910	310778 GRAPHIC CONCEPTS	1	18325	N79702	254729	\$ PRI-71740	279.28
044137	440116L910	310778 GRAPHIC CONCEPTS	3	18325	N79702	254729	\$ PRI-71741	443.82
044137	440116L910	310778 GRAPHIC CONCEPTS	4	18325	N79702	254729	\$ PRI-71742	181.32
044137	440116L910	310778 GRAPHIC CONCEPTS	5	18325	N79702	254729	\$ PRI-71743	646.80
EXP TOTAL								84,696.00
044203	440116L910	311677 MARSHALL ERIC	1	892-E		254073		562.50
044203	440116L910	311677 MARSHALL ERIC	1	929-A11		256311		1,150.00
044203	440116L910	311677 MARSHALL ERIC	1	992-C42		256312		162.50
044203	440116L910	327174 CREATIVE FREELANCERS	1	4340		257228		392.41
044203	440116L910	310444 ADVERTISERS PHOTOPRI	1	2594		257238		276.04
044203	440116L910	310444 ADVERTISERS PHOTOPRI	1	2596		257239		778.40
EXP TOTAL								3,321.65
044253	440116L910	330079 DELPHI	2	002036	N80872	255820	\$ 00200000	1,200.00
044253	440116L910	330079 DELPHI	1	03179201	N80872	255822	\$ 00100000	920.00
EXP TOTAL								2,120.00
044271	440116L910	331220 SOUTHERN SHOWS, INC.	2	JUL92EXP	HM0443-92	255591	\$ 00200000	9,439.62
EXP TOTAL								9,439.62
044271	440116L910	331220 SOUTHERN SHOWS, INC.	1	SEP92FEE	HM0443-92	256433	\$ 00100000	26,250.00
EXP TOTAL								26,250.00
044274	440116L910	310388 STRUCTURAL DISPLAY	1	64603	HM0524-92	253546	\$ 00100000	137,071.23
044274	440116L910	310388 STRUCTURAL DISPLAY	1	64604	HM0524-92	253547	\$ 00100000	274,142.46
EXP TOTAL								411,213.69
044472	440116L910	330751 HUAMAN ALICIA G.	1	SEP92FEE	HM0384-92	253035	\$ 00100000	
044472	440116L910	327883 LOFTIG MARGOT	1	SEP92FEE	HM0144-92	253037	\$ 00100000	

2042043099

10/01/92
RPT:GMA1201ZXD

PHILIP MORRIS U.S.A.
VOUCHER DISTRIBUTION REPORT BY PROJECT CODE
(SORT SEQ: PROJECT CODE, BRAND CODE, GL CODE, COST CENTER, EXPENSE)

PAGE 24

ACCTNO	VENDOR	VENDNAME	LN	INVO	PONO	VOUCHER	PART NUMBER/DESCRIPTION	QTY	UNIT	AMOUNT
044472	4401160910	327752 LUMONACO MISSY	1	SEP92FEE	HM0145-92	253077	1	00100000		
044472	4401160910	330751 HUAMAN ALICIA G.	2	JUN/AUG92EXP	HM0384-92	253967	1	00200000		184.10
044472	4401160910	327883 LUMIL MARGOT	2	AUG92EXP	HM0144-92	254265	1	00200000		410.55
044472	4401160910	327752 LUMONACO MISSY	2	AUG92EXP	HM0145-92	254288	1	00200000		274.50
044472	4401160910	330617 SCHNOCK CATHERINE A.	1	SEP92FEE	HM0373-92	254298	1	00200000		
044472	4401160910	327752 LUMONACO MISSY	2	SEP92EXP	HM0145-92	255899	1	00200000		281.46
EXP TOTAL										16,050.55
044653	4401160910	310190 URBAN OFFICE PRODUCT	1	17665-0						24.36
EXP TOTAL										24.36
CCTR TOTAL										553,567.10
GLCODE TOTAL										553,567.10
BRAND TOTAL										553,567.10
PROJ TOTAL										553,567.10

11/11/92
00:00:00
DEVELOPER

2042043100

Business Gift Policy

2042043101

I N T E R - O F F I C E C O R R E S P O N D E N C E

Richmond, Virginia

To: Financial Policy Holders Date: September 3, 1991
From: J. A. Condon
Subject: Policy Revision - Business Gifts

Enclosed is the updated Business Gifts Policy No. 02-200 which contains the following revisions:

1. The local function head can now approve gifts under \$100 to non-employees and gifts under \$100 to an employee or their immediate family member due to serious illness.
2. The maximum value of gifts allowable under company established plans was increased to \$250.
3. The Payroll Department must be contacted prior to the establishment of any future P.M. employee award/prize program in order to advise on the withholding tax requirements.
4. Company paid parties in honor of an employee transfer that involves relocation are allowable.

It is the responsibility of each Financial Policy Holder to ensure that all policy guidelines are communicated to and followed by employees in their area. Therefore, if there are any questions concerning this policy, please contact John Scott, Financial Controls, Finance Center (ext. 7433).

Joseph A. Condon
J. A. Condon

/bw
gifts

Enclosure

2042043102

PHILIP MORRIS

FINANCIAL MANUAL

POL. NO.: 02-200	PAGE: 1 of 5
ISSUE DATE: September 3, 1991	SUPERSEDES: August 1, 1990
SUBJECT: BUSINESS GIFTS	
APPROVALS: <i>F.H. Stude</i> <i>[Signature]</i>	

PURPOSE

To define Philip Morris U.S.A.'s policy with regard to business gifts.

POLICY

PM-USA operates in accordance with the provisions of the Business Conduct policy of Philip Morris Companies, Inc. All gifts made by PM-USA employees must be in accord with generally accepted business practices, and comply with the policy of the organizations employing the recipient and with the guidelines set forth in this policy.

SCOPE

This policy applies to all employees at all locations of PM-USA and must be administered by the Department Heads of each functional area.

APPROVALS

1. Gifts of flowers under \$100 to non-employees require written approval of the local function head. All other commitments for any non-employee gift under \$200 must have the written approval of an Officer of PM-USA. Region Directors may give written approval for gifts (not exceeding \$100) as allowed within the "Scope" of this policy.
2. All commitments for any non-employee gift from \$200 up to \$750 must have the prior written approval of the most senior New York based functional Vice President of PM-USA.
3. In the case of gifts to non-employees with a cost exceeding \$750 made openly in public presentations, the approval of the President and CEO of PM-USA will be required.
4. Gifts to employees are discouraged. The special circumstances where a gift may be appropriate are outlined in the "Guidelines" section of this policy. Gifts of flowers under \$100 must have the written approval of the local function head. All other gifts to employees, or their immediate family members, must have the prior written approval of an Officer of PM-USA. The Region Directors may approve gifts not exceeding \$100 to employees of the Field Sales Force. A quarterly report of all such gifts (gifts to Field Sales Force employees) will be prepared by the Cash Disbursements Department (Richmond) and submitted to the Vice President of Field Sales for approval.

2042043103

SUBJECT: BUSINESS GIFTS

POL NO:	PAGE:
02-200	2 OF 5
ISSUE DATE:	SUPERSEDES:
September 3, 1991	August 1, 1990

5. Specific prior approval of the PM-USA President and Chief Executive Officer and of the Office of the PM Companies, Inc. General Counsel must be obtained when any gift or award is proposed to be given to any employee of a domestic government agency, an employee of a foreign government, or any elected or appointed public official or immediate family member. Gifts to officials of foreign governments should be rare and be of nominal value and presented openly.

GUIDELINES

1. Definition - A gift is anything of value that is bestowed voluntarily and without compensation. It may be in the form of statues, jewelry, books, paintings, wares, entertainment, services, the use of property or facilities or other form. When made, gifts must be in accord with normally accepted business practices and comply with the policy of the organization employing the recipient. The making of such gifts should be legal and in accord with generally accepted ethical practices in all governing jurisdictions. Any questionable situation must be reviewed with the PM-USA General Counsel prior to making the gift. Items which are considered gifts are as follows:
 - Gifts to Company employees upon retirement.
 - Flowers, except when given in the event of death of an employee or an employee's immediate family member (i.e., parent, spouse, son, or daughter).
 - Candy, liquor, and fruit of nominal value given for personal consumption.
2. Exclusions - Gifts do not include the following:
 - Cigarettes intended for sampling and promotional items of nominal value with product or Company identification. For purposes of this exclusion, promotional items are of a nature available to and used by the Field Sales Force.
 - The purchase of theater tickets and tickets to sporting events may be entertainment or gifts depending on the circumstances. The cost of attendance at a show or sporting event for a Philip Morris employee with a customer or other third party will be considered entertainment expenses, and therefore, not subject to this policy, but will be subject to the Expense Account policy (No. 02-100). The cost of those same tickets presented to a customer, or third party, for use unaccompanied by a Philip Morris employee are to be considered a gift.

2042043104

SUBJECT: BUSINESS GIFTS

POL NO:	PAGE:
02-200	3 of 5
ISSUE DATE:	SUPersedes:
September 3, 1991	August 1, 1990

- Common business courtesies such as payment for a typical lunch or dinner in connection with a business meeting, are to be considered a normal business item and subject to the Expense Account policy (No. 02-100).
- Gratuities and tips which are customary practice should be handled in accordance with the Expense Account policy (No. 02-100).
- PM-USA Plans such as service awards, scholarships, etc.
- Gifts made under company established plans such as Action Cost Team recognition, patent awards, smoking panel, safety awards, sports trophies, etc. Such company established plans must have the prior written approval of the senior functional head. Gifts or awards are not to exceed \$250 per individual per plan.

Note: Prior to the establishment of any award/prize program, the Payroll Department should be contacted so that they may advise as to the withholding tax requirements involved.

3. Employee Gifts

- (a) Gifts to employees, or their immediate family members, or parties for employees, paid at Company expense, should be rare and given only in the following circumstances:
- (1) Serious illness of an employee or their immediate family member. The local function head is responsible for insuring that only one gift per illness, with a cost not to exceed \$100, is given at company expense.
 - (2) One retirement gift of up to \$500 may be given to an employee with the prior approval of an Officer of PM-USA and the Employee Relations department.
 - (3) Mementos given to employees, officers, and directors at internal conferences and meetings, unless they qualify as exclusions, (e.g., promotional items and cigarettes intended for sampling).
 - (4) Parties in honor of a transfer that involves employee relocation. Gifts upon such an occasion are the personal responsibility of the giver(s) and will not be paid for by the Company.

2042043105

SUBJECT: BUSINESS GIFTS

POL NO.:

02-200

PAGE

4 OF 5

ISSUE DATE:

September 3, 1991

SUPERSEDES:

August 1, 1990

- (b) Occasions where Company paid gifts to or parties for employees are prohibited include weddings, birthdays, childbirth, wedding and bridal showers, promotions and employee transfers that do not involve employee relocation. Gifts and parties for employees for these occasions are the personal responsibility of the giver(s) and will not be paid for by the Company.
4. Restrictions - Gifts made by PM-USA employees at company expense are restricted as follows:
- No gift in the form of cash or its equivalent may be given regardless of amount. NOTE: Gift Certificates are considered to be cash equivalents.
 - It is the general policy that each employee evaluate the circumstances which evoked the giving of the gift and determine whether it is in the best interest of the company and a customary industry practice before the expenditure is initiated. If an employee has any doubt about the legality of the gift, he should consult the PM-USA General Counsel.
 - In no event shall any gift exceed \$750. This limitation shall not apply to gifts (excluding gifts to employees) made openly and in public presentations, the nature of which indicates that the gift is made to an individual acting on behalf of his entity.

DOCUMENTATION

1. A Purchase Requisition must be prepared for all gifts purchased. Each requisition should clearly describe the item and the organization or business entity that is to be the recipient of such gifts. All purchases must be made in accordance with the company's purchasing procedures. In those circumstances where it is impractical to make such purchases through the Purchasing Department, it is acceptable for the employee to submit the expenditure on his expense report provided it is properly described as a gift and supported by an invoice which clearly indicates the recipient of the gift.
2. Account No. 452, Business Gifts, has been established to accumulate the cost of such expenditures, and this account number should be placed on the initiating disbursement document by the party approving the payment.

2042043106

SUBJECT: BUSINESS GIFTS

POL NO.: 02-200	PAGE: 5 OF 5
ISSUE DATE: September 3, 1991	SUPERSEDES: August 1, 1990

REPORTING

1. The PM-USA Controller will provide the Vice President of Finance and Administration, within thirty working days after each semiannual period, a listing of all gifts made during the respective period, setting forth the donor, recipient, business organization, reason for the gift and amount. This report must be signed by the PM-USA President and Chief Executive Officer and copies submitted to the PM Companies, Inc. Vice President and Chief Financial Officer and to the PM Companies, Inc. General Counsel.
2. The appropriate instructions and format for reporting is attached (Exhibit A and A-1). A negative report should be issued if there are no gifts. Gifts below \$50 per recipient on an annual cumulative basis need not be reported individually but must be reported on an aggregate basis and must comply with this policy.
3. The reports for January through June are due to PM Companies, Inc. the last working day in July and the report for the year is due the last working day in January.

RELATED POLICIES

Section 02-100	Expense Accounts
Section 05-100	Standards of Business Conduct

2042043107

REPORTING INSTRUCTIONS

1. All columns must be completed.
2. Under donor, list the name of the department head or corporate officer who approved the gift.
3. An item should be reported only by the entity which ultimately bears the charge.
4. Reports should be cumulative by recipient within each year.
5. A negative report should be submitted if there are no gifts.
6. Any gifts below \$50.00 per recipient on an annual cumulative basis need not be reported individually but must be reported on an aggregate basis and must comply with this policy and appropriate operating company approval requirements.
7. Reports covering the period January through June are due the last working date in July and the report for the year is due the last working day in January.

EXHIBIT A

2042043108

**Voucher Car
Service Procedure**

2042043109

PHILIP MORRIS MANAGEMENT CORP.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: ALL DEPARTMENT HEADS
FROM: Elizabeth A. Claypool
SUBJECT: Voucher Car Service Procedures

DATE: January 18, 1991

RECEIVED

JAN 18 1991

DEANE WEISSMAN

Kindly distribute the attached guidelines for voucher car use to all the exempt employees in your department.

Your cooperation in this matter is greatly appreciated.

2042043110

PHILIP MORRIS MANAGEMENT CORP.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: All NYO/Rye Brook Employees
FROM: Elizabeth A. Claypool *ELC*
SUBJECT: Voucher Car Service Procedures

DATE: January 18, 1991

EXEMPT EMPLOYEES ONLY

Attached for your convenience are procedural guidelines to be used by Philip Morris exempt employees making reservations for voucher car services directly. These procedures are intended to facilitate your ground transportation requests and to ensure that you are properly serviced.

A list of car voucher services is included and are the only services approved for use by Philip Morris employees. All other accounts previously held by individual departments have been cancelled as of midnight tonight, January 18, 1991.

While you are authorized to make direct reservations for voucher car services, requests for sedan car, town car and limousine services as defined in the Ground Transportation Service Policy must be made through the Travel Services Department.

Should you have any questions please call me at extension 4063.

2042043111

PHILIP MORRIS TRAVEL SERVICES DEPARTMENT
PROCEDURES FOR BOOKING VOUCHER CAR SERVICE
"EXEMPT" EMPLOYEES ONLY

Procedures for Philip Morris EXEMPT employees requiring voucher car service payable by credit card are as follows:

1. In order to call these services directly, refer to the Approved Voucher Car Services listing below:

Aristacar	(718) 204-9800
	(718) 204-9880
Big Apple	(718) 236-3611
	(800) 251-5001
CitiCar	(718) 361-5252
Clinton Executive	(914) 237-0195
T W R	(212) 431-1904
Vital	(718) 472-2800
	(800) GO VITAL

2. When booking your reservation with the voucher car service:
 - a) Always identify yourself as a Philip Morris employee and reference our ID/account number 123C. This account number indicates that special terms have been arranged to ensure service and allow you to pay by credit card.
 - b) Provide your credit card number and the expiration date. All major credit cards are accepted.
 - c) Provide the car service with the address of your points of origin and destination and be sure to advise them if your trip includes any stops.
3. When exiting the car, review your charges and request your credit card receipt from the driver.

NOTE: Charges are calculated by zone, all service charges, parking, tolls and gratuities are inclusive.

January 1991

2042043112

Ground Transportation

2042043113

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: ~~Ina Bloeman~~
Meg Meurer
Edna Moore

DATE: January 7, 1991

RECEIVED

FROM: Leo P. McCullagh

JAN 07 1991

SUBJECT: New Policy for Ground Transportation

DEANE WEISSMAN

Attached is a copy of the new ground transportation policy effective January 14. All of the procedures and guidelines of this new policy are explained in the memo, but to summarize briefly:

- No exempt personnel will be allowed to use car vouchers from January 14th.
- Exempt employees who do use voucher car services (e.g., Citicar) will be required to call the car service to schedule pickup and pay for this directly with their credit card number. The cost of this will be reimbursed through their expense statement.
- Secretaries will be issued car vouchers if they work past 7:00 PM. Voucher receipts must be turned in to Barbara Serpe.

Please review and distribute to your staff.

cc: E. Bruce



2042043114

PHILIP MORRIS COMPANIES INC.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: ALL DEPARTMENT HEADS
 FROM: D. Eric Pogue
 SUBJECT: Ground Transportation Services Policy

DATE: January 14, 1991

JAN 4 1991

L. P. McCULLACH

Attached for your use is a copy of the revised Ground Transportation Services Policy. This policy establishes procedures and guidelines for the use of all ground transportation arrangements for Philip Morris New York and Rye Brook office employees.

The most significant change is the elimination of master billing for all ground transportation. Each trip must now be paid for upon arrival at the destination with a credit card and submitted for reimbursement with a completed expense account form.

The only exception to the above form of payment is the use of vouchers by non-exempt employees for voucher cab services. New vouchers will be available through the Travel Services Department on Wednesday, January 9, 1991, in accordance with the guidelines of this policy and practices, established by the Finance Department. A request form for the new vouchers is attached that requires approval by a director-level or above position.

Any vouchers that are currently held will no longer be valid or accepted by the voucher cab companies after Sunday, January 14, 1991.

Any questions regarding this policy should be directed to Elizabeth A. Claypool, Manager, Travel Services Department, Extension 4063 (NYO).

DEP/nm

Attachments

0541

2042043115

GROUND TRANSPORTATION SERVICES POLICY

PURPOSE

It is the policy of Philip Morris Companies Inc. to provide its employees with safe and efficient ground transportation while conducting company business. This policy is intended to establish criteria and procedures for utilizing the various sources of this ground transportation.

SCOPE

This policy is applicable for use by all Philip Morris employees at the New York City and Rye Brook locations.

PROCEDURAL GUIDELINES

The use of these approved ground transportation sources will be limited to those instances when authorized employees are conducting company business.

All arrangements for such services must be coordinated through the Travel Services Department. The most cost effective and appropriate service will be chosen.

When appropriate, multiple passenger scheduling will be done. The employee traveling the farthest distance will pay for all passengers.

A listing of those authorized vendors for the New York Metropolitan area will be provided to each department head to ensure employee compliance.

DEFINITIONS

Authorized ground transportation services are defined as:

- LIMOUSINE - 4+ passenger luxury vehicle
(i.e., full size/stretch Cadillac)
- TOWN CAR - 3 passenger luxury vehicle
(i.e., Lincoln Town Car)
- SEDAN CAR SERVICE - 3 passenger moderate usage vehicle
(i.e., Mercury Marquis, Lincoln Town Car or similar vehicle type)
- VOUCHER CAB - 3-4 passenger, high usage vehicle
(i.e., Ford Crown Victoria, Lincoln Town Car or similar vehicle type)

2042043116

Effective Date:
January 2, 1991

USE OF GROUND TRANSPORTATION SERVICES

LIMOUSINE AND TOWN CAR USAGE - NEW YORK CITY & RYE BROOK PERSONNEL

Vice Presidents and above of Philip Morris are authorized to utilize limousine services for business travel and entertainment. However, voucher cars are encouraged within New York City and town car/sedan services for all other cases.

Limousines will also be scheduled by Travel Services when deemed appropriate to take advantage of the larger capacity vehicles for carrying multiple passengers.

No other employees are authorized to hire limousine services without the prior written approval of a Vice President or above.

SEDAN CAR SERVICE USAGE - NEW YORK CITY & RYE BROOK PERSONNEL

- o For Travel Between Metropolitan Area Airports And Employee Residences Outside of New York City And Its Boroughs.

For all other employees, sedan car service is authorized for travel between one of the metropolitan area airports and an individual's home when conducting company business. However, airport shuttle services, voucher cabs and local taxis are encouraged whenever practical and cost effective. For Rye Brook personnel only, the use of car rentals should also be considered.

On occasion, sedan car services may substitute full size limousines for sedans when it is advantageous to the car company for scheduling, maintenance or other reasons. However, when this occurs, the charges to Philip Morris will still reflect the rates for a sedan.

For ground transportation within NYC and its boroughs, please refer to the "voucher cab and taxi cab usage" section below.

VOUCHER CAB AND TAXI CAB USAGE - NEW YORK CITY - PERSONNEL

- o For Travel Within New York City And Its Boroughs And Between New York City And Its Boroughs And Metropolitan Area Airports.

These services should be used in conjunction with business travel within the New York City area or from 100/120 Park Avenue to either LaGuardia, Newark, Westchester County, Teterboro, or JFK International Airport. They also may be used for transportation to or from one of the metropolitan airports to an individual's home.

2042043117

Effective Date:
January 2, 1991

This transportation may also be utilized when traveling home from the office if an employee works after 7:00 pm. It may also be used when a business appointment is not accessible by mass transit. Both situations must be approved by a director or above prior to the usage.

When conducting company business between 100/120 Park and Rye Brook, the use of Mass transit is the approved method of transportation. However, if this is not practical, voucher cab service may be used with prior approval by a director or above.

SEDAN CAR SERVICE, VOUCHER CAB AND TAXI CAB USAGE - RYE BROOK PERSONNEL

This transportation may be utilized when traveling home from the office if an employee works after 7:30 pm as a company provided shuttle service is available until that time. It may also be used when a business appointment is not accessible by mass transit. Approval by a director or above is required prior to usage.

APPROVALS AND PAYMENT

At the completion of each trip all exempt employees must pay the ground transportation service directly with a credit card and use an expense account filing to be reimbursed.

Only non-exempt employees are eligible to use a company provided voucher for transportation to and/or from their home if appropriate and approved by a director or above. A voucher form can be obtained from each department head. Instructions governing the controls and usage of these forms have been prepared by the Accounting Department and are attached.

LIMITATIONS

No limousine or car service will be used for any travel greater than 150 miles round trip. The Travel Services department will arrange other suitable transportation for those trips. All departments are encouraged to consider other less costly modes of transportation where practical such as rental car, personal vehicle, public transportation, or local taxi.

2042043118

Instructions for Control and Safeguarding of Car Vouchers
and for the Record Keeping of the Car Voucher Log

1. It is the responsibility of the Travel Services Department to issue car vouchers to department heads for use by Philip Morris non-exempt employees.
2. After receipt of the vouchers from Travel Services, the department head is responsible for maintaining control of the vouchers and keeping proper records. The department name and expense code must be entered prior to distribution.
3. The department head should issue and record all vouchers in sequential order.
4. After a non-exempt employee uses the voucher, they must return the passenger copy to the department head, as soon as possible.
5. If an employee does not use the voucher, the unused voucher should be returned to the department head as soon as possible.
6. On the last day of each month, each department head must submit their car voucher log to Travel Services. Additional vouchers will not be issued to any department head until the prior month's log and the passenger copies of used vouchers are submitted back to Travel Services.
7. The following information should be recorded on the log:
 - * Voucher number
 - * Date issued
 - * Name of recipient of voucher
 - * Origin and destination of trip

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Effective Date:
January 2, 1991

GROUND TRANSPORTATION POLICY SUMMARY

ALL ARRANGEMENTS FOR GROUND TRANSPORTATION SERVICES MUST BE COORDINATED THROUGH THE TRAVEL SERVICES DEPARTMENT.

ELIGIBLE EMPLOYEE	APPROVED VEHICLE TYPE	TRAVEL TO/FROM NY AREA AIRPORTS	TRAVEL BETWEEN NYC & RYE BROOK	BUSINESS APPT./ ENTERTAINMENT/ TRAVEL WITHIN NYC/BOROUGHES	100/120 & RYE BROOK TO HOME - AFTER HOURS
VP & ABOVE	LIMOUSINE/TOWN CAR, SEDAN CAR SERVICE, VOUCHER CAB	LIMOUSINE/TOWN CAR SEDAN CAR SERVICE OR VOUCHER CAB WHEN PRACTICAL	LIMOUSINE/TOWN CAR SEDAN CAR SERVICE & VOUCHER CAB WHEN PRACTICAL	LIMOUSINE/TOWN CAR SEDAN CAR SERVICE, WHEN PRACTICAL	NYC - AFTER 7:00PM RYE BROOK - AFTER 7:30PM LIMOUSINE/TOWN CAR, SEDAN CAR SERVICE, VOUCHER CAB
ALL OTHER EMPLOYEES	VOUCHER CAB AND TAXI CAB SERVICE. SEDAN CAR SERVICE, WITH PRIOR DIRECTOR APPROVAL	<u>OUTSIDE NYC & BOROUGHES:</u> AIRPORT SHUTTLE SERVICES, SEDAN CAR SERVICE - FOR RYEBROOK: INCLUDE CAR RENTAL. <u>WITHIN NYC & BOROUGHES:</u> AIRPORT SHUTTLE SERVICES, VOUCHER CAB AND TAXI CAB SERVICES	MASS TRANSIT; IF NOT PRACTICAL, VOUCHER CAB	VOUCHER CAB SERVICE, TAXI CAB SERVICE, SEDAN CAR SERVICE, WITH PRIOR DIRECTOR APPROVAL	NYC - AFTER 7:00PM RYE BROOK - AFTER 7:30PM VOUCHER CAB SERVICE WITH PRIOR DIRECTOR APPROVAL. PLEASE NOTE: ONLY NON-EXEMPT EMPLOYEES ALLOWED TO USE PHILIP MORRIS VOUCHERS

LIMITATIONS:

NO LIMOUSINE OR CAR SERVICE CAN BE USED FOR ANY TRAVEL GREATER THAN 150 MILES ROUND TRIP.

Party Cash
Reimbursement

2042043120

TO All Department Heads
FROM H. Millington
SUBJECT PETTY CASH REIMBURSEMENT POLICY

DATE February 3, 1992

To conform with Corporate policy, the guidelines that should be followed for petty cash reimbursements are:

- Petty cash vouchers should be used only for miscellaneous, non-recurring expenses that do not exceed \$25.00. Expenses exceeding \$25.00 must not be split, but should be submitted for reimbursement on a travel expense report.
- All expenses must be approved by an immediate supervisor who has Corporate monetary approval authority.
- Petty cash vouchers should not be approved by subordinates regardless of their monetary approval authority.

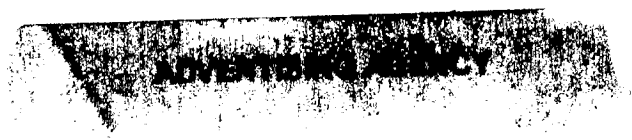
The Corporate cashier will review petty cash vouchers for adherence to this policy. Petty cash vouchers that are not in compliance will not be cashed.

If you have questions regarding this policy, please call either Joan Fox (ext. 3021) or Gregory Greene (ext. 3239).



\\DW4\GREENE\PETTYCAS.DOC

2042043121



2042043122

FIELD POSITIVE

2042043123

Creative Request

Components

- Date
- Name of recipient
- Name of requestor
- Project name
- Overview
- Target
- Communication Objectives
- Element(s)/Size(s)
- Copy specifics/Legal requirements
- Special instructions
- POS code number(s)
- Due date(s)
- Copies to :
 - Manager
 - Group Manager
 - Director .
 - Brand Manager

2042043124

Creative Brief

2042043125

TO: Janice Mabie
Liz Bromberg
Rodney Robinson

FROM: Michelle Marcisak

SUBJECT: Merit Bowling Creative Brief

DATE: April 8, 1993

cc: Ina Broeman
Bob Ferrin
Jay Kenney
Erin Martin
Chris McAuliffe
Edna Moore
Norma Suter
Nancy Zimbalist

The following requests the development of creative materials for the Merit Bowling Program.

BACKGROUND

Merit will be sponsoring a grass roots tournament conducted in 2,000 bowling centers around the country from September through December 1993. Bowlers will enter the tournament at their local bowling center with the ultimate goal of reaching the \$125,000 Pro/Am Championships held in Las Vegas, Nevada - where they will bowl with the pros for \$125,000 in prize money. (Please see attached Program Description). It is estimated that the program would reach 750,000 bowlers -- 40% of whom are smokers -- in a smoker-friendly environment.

OBJECTIVES

- Reach Merit smokers in a smoker-friendly environment consistent with the brand character and demographics
- In lieu of advertising, enhance brand image among both Merit and competitive smokers
- Generate incremental sales of Merit
- Generate names for the database

STRATEGIES

- Sponsorship of the \$125,000 Pro/Am Championship and \$200,000 Professional Mixed Doubles Championship
- Magazine and regional newspaper advertising
- Targeted FSI promotion offering a free game of bowling with proof of two pack purchase

RATIONALE

By sponsoring bowling, Merit has the opportunity to reach the 40% of adult bowlers who smoke in a smoker-friendly environment. It is estimated that the program will reach 750,000 bowlers.

2042043126

BRAND POSITIONING STATEMENT

To smokers who are concerned about tar and nicotine, but don't want to sacrifice taste, Merit is the low-tar cigarette that doesn't compromise on taste because Merit delivers flavor out of proportion to tar.

BRAND CHARACTER

Merit is down-to-earth, straightforward and confident.

AUDIENCE

Male and female bowlers, age 21+, who smoke.

ASSIGNMENT

- Create a Merit Bowling promotion logo utilizing the Merit brand name and colors. The logo will appear on such items as letterhead, envelopes, posters, banners, etc. - so it should be more horizontal than vertical. The logo should be light, crisp and fun in tone yet consistent with the "brand character". Use Merit colors: oranges, yellows, browns, blues. Please use no more than four colors (PMS colors).
- Create a slogan to be used in bowling promotion-themed advertising and on support materials.
- Create art and keyline for a Merit Bowling themed advertisement.
- Create art and keylines for the following Merit Bowling support materials:

♦ MERIT BOWLING LARGE POSTER (Generic)

Size: 40" high x 27" wide

Quantity: 6,000

Purpose: To draw the attention of the amateur bowler to the tournament, inform them about the prize money, trip and chance to bowl with the pros; and send them to the front desk to pick up the brochure for more details.

Should communicate the following:

Primary: You (the amateur bowler) can win a fabulous bowler's "dream come true" from Merit Cigarettes. Include a call to action.

Secondary: Prize Money, Trip to Las Vegas, Chance to Bowl with the Pro's.

Must Include: Participants must be 21 years or older.

Other: Possibly incorporate pack-shot into poster (checking with legal)

♦ MERIT BOWLING COUNTER CARD

Size : 10"(h) x 18"(w)

Quantity: 6,000

Purpose: To hold brochures, encourage amateur bowlers to take one and generate excitement about the program.

Should communicate the following:

Primary: You (the amateur bowler) can win a bowler's "dream come true" from

2042043127

Merit Cigarettes.

Secondary: Take brochure for all the information you need and coupons for a free game of bowling with two pack purchase and Buy One Get One Free.

♦ **MERIT BOWLING BROCHURE**

Size: 8 1/2 " (h) x 12" (w) - Folds to 8 1/2" (w) x 4" (h)

Quantity: 500,000

Purpose: To communicate details of the program, incent pack sales through coupons and generate names for the database

Should communicate the following:

Primary: Program details, Participants must be 21+

Secondary: Coupons (B1G1F) and free bowling game with 2 UPC's

Other: Incorporate 2 coupons (One B1G1F exp. 3/31/94 and one for two UPC's, free game of bowling, exp. 12/31/93).

Use more than one color on one side only (the outside) - inside should be black or one PMS color.

♦ **MERIT BOWLING STICKERS FOR VENDING MACHINES**

Size: 4"x4"

Quantity: 5,000

Purpose: To inform cigarette purchaser that if they buy two packs of Merit, they get a free bowling game.

Should communicate the following:

Primary: Buy two-packs, get a free game

Secondary: See front desk for brochure with more information on Merit Bowling Pro/Am

NEXT STEPS

- Discuss promotion and budget.
- Develop initial art on tissue.

TIMELINE

<u>Date</u>	<u>Activity</u>
April 5	Merit Bowling Logo Tissue due. Keyline for logo sheet (B/W and color) due ASAP after approval of logo.
April 16	Tissues for the following due: <ul style="list-style-type: none">•Merit Bowling Slogan•Merit Bowling Large Poster•Merit Bowling Counter Card•Merit Bowling Brochure•Merit Bowling Stickers for Vending Machines•Merit Bowling-themed Advertisement
May 3	Keylines for the following due: <ul style="list-style-type: none">•Merit Bowling Large Poster•Merit Bowling Counter Card•Merit Bowling Brochure•Merit Bowling Stickers for Vending Machines
May 10	Poster, Counter Card, Brochure and Vending Machine Stickers into production

2042043129

P.O.S. Request

2042043130

PHILIP MORRIS USA**INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Jeff Hassman
FROM: Michelle Marcisak

DATE:

CC: Ina Broeman
Nancy Zimbalist
Cindy Shore

Mike DePauw
Doug Ryan
Karen Gardner
Donna McNamara

RE: P.O.S. REQUEST TO AGENCY
VIRGINIA SLIMS OF _____

Please provide keylines for the following P.O.S. pieces for the above tournament.

Circle: POSTER
COUNTER CARD
COUNTER CARD BROCHURE
PROGRAM COVER
SPECTATOR DRAWSHEET

Information should appear as follows:

Location: _____
(Stadium, City, etc.) _____

Date: _____

Presenter: _____

Circle One: Presents Presented by

Ticket Telephone #(s): _____

*Participating Sponsors: _____

Charity: _____

Due Date at PM: _____

Thank you.

*To appear on counter card brochure and spectator drawsheet only.

2042043131

PHILIP MORRIS USA

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Jeff Hassman

DATE: 12/2/92

FROM: Frank Dunne

CC: Ina Broeman
Nancy Zimbalist
Cindy Shore

Mike DePauw
Doug Ryan
Karen Gardner
Donna McNamara

RE: P.O.S. REQUEST TO AGENCY
VIRGINIA SLIMS OF HOUSTON

Please provide keylines for the following P.O.S. pieces for the above tournament.

Circle:

POSTER

COUNTER CARD

COUNTER CARD BROCHURE

PROGRAM COVER

SPECTATOR DRAWSHEET

Information should appear as follows:

Location: Westside Tennis Club
(Stadium, City, etc.) Houston, TX

Date: March 22-28, 1993

Presenter: (TBD by 12/11)

Circle One: Presents _____ Presented by _____

Ticket Telephone #(s): (713) 953-1111

*Participating Sponsors: Lexus
Delta Airlines, Inc.

Charity: Houston Tennis Association

Due Date at PM: ASAP

Thank you.

*To appear on counter card brochure and spectator drawsheet only.

2042043132

Ad Slick Request

2042043133

PHILIP MORRIS USA**INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Jeff Hassman**DATE:****FROM:** Michelle Marcisak**CC:** Ina Broeman
Nancy Zimbalist
Cindy Shore
Sheila Banks-McKenzieMike DePauw
Donna McNamara
Karen Gardner
Doug Ryan**RE: AD SLICKS REQUEST
VIRGINIA SLIMS OF _____****DATE:** _____**LOCATION:** STADIUM
CITY, STATE _____**PRESENTER:** _____**CIRCLE ONE:****PRESENTS****PRESENTED BY****TICKET TELEPHONE #(S):** _____

(TicketMaster)

REQUIRED ROP SIZES (CIRCLE):

SAU 3x10.5

SAU 5x7

SAU 6x10.5

FULL PAGE TAB

SAU 4x7

7x10 MAG

Other: _____

Player Names: _____**Participating Sponsors:** _____**Charity:** _____**Ship to:** _____**Phone:** _____**Ads due to PM for approval:** _____

2042043134

PHILIP MORRIS USA**INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Jeff Hassman

DATE: February 2, 1993

FROM: Michelle Marcisak

CC: Ina Broeman
Nancy Zimbalist
Cindy Shore
Sheila Banks-McKenzieMike DePauw
Donna McNamara
Karen Gardner
Doug RyanRE: **AD SLICKS REQUEST**
VIRGINIA SLIMS OF HOUSTONDATE: March 22-28, 1993LOCATION: STADIUM Westside Tennis ClubCITY, STATE Houston, TexasPRESENTER: K-Lite 93.7 FMCIRCLE ONE: PRESENTS PRESENTED BYTICKET TELEPHONE #(S): (713) 953-1111
(TicketMaster)REQUIRED ROP SIZES (CIRCLE): SAU 3x10.5 SAU 5x7* 5" wide x 7" deep)
SAU 6x10.5 FULL PAGE TAB
SAU 4x7 7x10 MAG** A/c ads for mag. please
Other: 4 7/8 x 6 1/4 note requirements as
noted on following pagesPlayer Names: SELES, CAPRIATI, MARTINEZ, MALEEVA-FRAGNIEREParticipating Sponsors: Cappio Iced Cappuccino
Westside Lexus/Sterling McCall LexusCharity: Houston Tennis AssociationShip to: Virginia Slims of Houston
10777 Westheimer, Suite 916
Houston, TX 77042
ATTN: Martha Claussen/Noel Scott
Phone: (713) 953-1111Ads due to PM for approval: Jan. 13, 1992

2042043135

Advertising
Approval Form

2042043136

LEO BURNETT JOB INFORMATION

MISCELLANEOUS

ID No. _____
 Req. No. _____
 Brand _____
 Packing(s) _____
 Title _____
 Description _____
 Area _____ Sq. In. Scale _____
 Sched. Deliv. of Mechanical: ** _____
 Warning: Exh. _____ A B C D Quan. _____
 T&N: Size _____ Quan. _____

*FTC ref. code

**Order date for promotional packaging

APPROVALS

Print Service _____
 Database (DM only) _____
 Agency Legal _____
 Client Service _____
 Brand _____
 PM Legal _____
 PM Legal Changes/Comments Date _____

Agency Legal _____

(Confirmation of changes above)

PM LEGAL

- To be prepared by agency and circulated for appropriate approvals.
- No mechanicals can ever be turned over to a vendor without the required Brand and Legal approvals.

2042043137

Public Relations

2042043138